IFRS on point.

IFRS Accounting Developments and Information: April 2012

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www.iasplus.com

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International headlines

IFRS Foundation Monitoring Board appoints Trustee

The Monitoring Board of the IFRS Foundation approved the appointment of Sir Callum McCarthy as Trustee of the IFRS Foundation. Sir Callum currently serves as a non-executive director of Industrial and Commercial Bank of China, IntercontinentalExchange and the UK Her Majesty's (HM) Treasury. He has also served as Chairman of the Financial Services Authority (FSA), the UK financial services regulator. His term as Trustee will expire on 31 December 2014 but is renewable. Click **here** to access the IFRS Foundation press release. Click **here** for the full list of IFRS Foundation Trustees.

IASB Chair discusses the IASB's future agenda

In a recent address during the Korean Accounting Standards Board (KASB)/Korea Accounting Institute Seminar in Seoul, International Accounting Standards Board (IASB) Chairman Hans Hoogervorst discussed the IASB's agenda consultation. Mr. Hoogervorst noted that the IASB's future work programme would focus on fixing only what needs to be fixed, including:

- completing revisions to the conceptual framework;
- ensuring disclosure requirements are appropriate;
- deciding what to do with other comprehensive income; and
- considering work on less ambitious projects, such as agriculture, business combinations under common control, hyperinflation and rate-regulated industries.

Mr. Hoogervorst also outlined the introduction of a new research phase to the work programme designed to gather preliminary views from both within the IASB and other standard-setting groups before considering for the IASB's work programme.

Click **here** for Mr. Hoogervorst's speech transcript.

FASB Chair provides testimony to the US House committee

In testifying to the US House of Representatives Financial Services Subcommittee on Capital Markets and Government Sponsored Enterprises, US Financial Accounting Standards Board (FASB) Chairman Leslie Seidman covered a wide range of topics including the intended completion dates for a number of joint IASB and FASB projects (revenue recognition, leases, financial instruments and insurance contracts). Ms. Seidman also discussed the wider calls for convergence, private company accounting, not-for-profit accounting, the FASB codification, XBRL (eXtensible Business Reporting Language) and the FASB's joint project with the European Financial Reporting Advisory Group (EFRAG) on development of a disclosure framework to address constituent concerns about disclosure overload or, often, disclosure ineffectiveness. Click **here** to access the testimony.

IASB Chair discusses XBRL

In a recent address during the IFRS Taxonomy Annual Convention in London, IASB Chairman Hans Hoogervorst provided an overview of the potential benefits of XBRL. He noted that XBRL can potentially supplement financial statements to give users an extract of only the information they need, eliminate re-keying of financial information, and allow users a choice of which language to use. Mr. Hoogervost also outlined three priorities to foster wider acceptance of XBRL:

- ensure IFRS Taxonomy is of the highest quality;
- be more sensitive to XBRL requirements throughout the lifecycle of the IASB's standard-setting activities without allowing XBRL to define those activities; and
- work with members of the XBRL community to improve the technology.

Click **here** for Mr. Hoogervorst's speech transcript.

IASB publishes updated work plan

The IASB published an updated work plan outlining a revised timeline for its projects. One project (post-implementation review of IFRS 3 *Business Combinations*) has been deferred in the most recent work plan. Click **here** for the updated IASB work plan.

IASB provides unaccompanied IFRSs on its website

The IFRS Foundation offered free access to the consolidated unaccompanied English language IFRSs and official interpretations as of 1 January 2012. 'Unaccompanied' IFRSs and official interpretations exclude Implementation Guidance and the Basis for Conclusions. Click **here** for the IASB press release and further details.

IASB issues summary of IASB and ASBJ joint meeting

The IASB issued a summary of its fifteenth biannual meeting with representatives of the Accounting Standards Board of Japan (ASBJ) in Tokyo, in which they discussed the work of the IASB and FASB in completing the remaining elements of their convergence programme, the IASB's agenda consultation, the ongoing review of the IFRS Interpretations Committee being conducted by the IFRS Foundation Trustees and the opportunities for further cooperation between the IASB and national accounting standard-setters. Click **here** for the IASB press release.

DPOC issues summary of its meeting

The IFRS Foundation Trustees' Due Process Oversight Committee (DPOC) issued a summary of its April 2012 meeting held in London, in which they discussed the overhaul of the IASB's *Due Process Handbook*, a review of the Terms of Reference for project-specific advisory bodies formed by the IASB in the course of its standard-setting activities, the proposed methodology for conducting post-implementation reviews of IFRSs, the effectiveness of the IFRS Interpretations Committee and the IASB's agenda consultation. Click **here** for the DPOC summary.

G20 Finance Ministers and Central Bank Governors issue communiqué from their meeting

The G20 Finance Ministers and Central Bank Governors issued a communiqué from its April 2012 meeting held in Washington D.C., in which they reaffirmed their commitment to international convergence and regulatory reform, while also assessing progress on their financial regulatory reforms. Click **here** to access the communiqué.

IASB issues summary of IASB and CMAC joint meeting

The IASB issued a summary of its 22 February 2012 meeting with representatives of the Capital Markets Advisory Committee (CMAC) in London, in which they discussed current IASB projects (financial instruments, leases, investment entities and revenue recognition), the EFRAG and FASB disclosure framework project, the IASB's post-implementation review of IFRS 8 *Operating Segments*, the European Securities and Markets Authority (ESMA) materiality consultation paper and the mandatory effective date of IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*. Click **here** for the IASB summary.

MASB issues communiqué from IFRS Regional Policy Forum

The Malaysian Accounting Standards Board (MASB) issued a communiqué from the sixth IFRS Regional Policy Forum held in Kuala Lumpur, which included discussion of a reaffirmed commitment to the adoption of IFRSs, an expression of appreciation to the IASB for its efforts in conducting a thorough and comprehensive consultation on its future agenda, the need for regulators to work with both the IASB and national standard setters and regional standard setting bodies to better align local policies with international standards and to integrate the requirements of the standards into the domestic legal framework and the need for consistent endorsement, implementation, audit and enforcement of standards for IFRSs to be accepted globally. Click **here** to access the communiqué.

SMEIG publishes four final Q&As

The SME Implementation Group (SMEIG) published in final form Q&A 2012/01 *Application of 'undue cost or effort'*, Q&A 2012/02 *Jurisdiction requires fallback to full IFRSs*, Q&A 2012/03 *Fallback to IFRS 9 'Financial Instruments'* and Q&A 2012/04 *Recycling of cumulative exchange differences on disposal of a subsidiary* on the *IFRS for SMEs* (International Financial Reporting Standard for Small and Medium-sized Entities). The SMEIG also decided not to issue final Q&As on the following three issues originally published as draft Q&As in September 2011: application of the *IFRS for SMEs* for financial periods ending before the *IFRS for SMEs* was issued, departure from a principle in the *IFRS for SMEs* and prescription of the format of financial statements by local regulation. Click **here** for the IASB press release related to the issuance of Q&As 2012/01 and 2012/02 and **here** for the IASB press release related to the issuance of Q&As 2012/03 and 2012/04.

IASB staff issues *IFRS for SMEs Update*

The IASB staff issued its *IFRS for SMEs Update* summarising news related to *IFRS for SMEs*. Recent developments concerning the *IFRS for SMEs* include news about adoptions of the *IFRS for SMEs* in Samoa and Ecuador, the development of a new training module and upcoming trainer workshops. Click **here** to access the *IFRS for SMEs Update.*

IASB issues *IFRS for SMEs* guide

The IASB issued a guide to the *IFRS for SMEs* designed to provide a briefing of *IFRS for SMEs* for lenders, creditors and other interested parties. Click **here** to access the *IFRS for SMEs* guide.

IPSASB issues financial statement discussion and analysis exposure draft

The International Public Sector Accounting Standards Board (IPSASB) published for public comment exposure draft 47 *Financial Statement Discussion and Analysis*. The proposals specify minimum required financial statement discussion and analysis for public sector entities other than government business enterprises. The financial statement discussion and analysis would be clearly identified, distinguished from the financial statements and would apply the same qualitative characteristics as govern the preparation of the financial statements. Comments on the exposure draft are due by 31 July 2012. Click **here** to access the IPSASB press release.

European Commission updates equivalence mechanism for third-country GAAPs

The European Commission adopted two delegated regulations and one implementing decision to revise and update the European Union's IFRS Equivalence Mechanism. These instruments declare Chinese, Canadian and South Korean GAAP as equivalent to IFRS. The transitional period for Indian GAAP has been extended until 31 December 2014. Click **here** to access the regulations and decisions.

EFRAG publishes endorsement advice and effects study reports

The EFRAG submitted to the European Commission its endorsement advice letters and effects study reports on IFRS 10, IFRS 11, IFRS 12, IAS 27 *Separate Financial Statements* (2011) and IAS 28 *Investments in Associates and Joint Ventures* (2011) (collectively, the 'package of five standards'), and amendments to IAS 32 *Financial Instruments: Presentation* and IFRS 7 *Financial Instruments: Disclosures*. Click **here** for the EFRAG press release regarding the package of five standards and **here** for the press release regarding the amendments to IAS 32 and IFRS 7.

EFRAG issues update considering endorsement advices, comment letters to the IASB and ESMA and other IASB activities

The EFRAG released the April 2012 issue of its *EFRAG Update* newsletter, which included discussion of its endorsement advices and effects study reports to the European Commission on the package of five standards, its draft endorsement advice for *Government Loans* (Amendments to IFRS 1), its final comment letters on the IASB's exposure drafts *Revenue from contracts with customers* and *Transition Guidance* (Proposed amendments to IFRS 10) and the ESMA consultation paper *Considerations of Materiality in Financial Reporting*, while providing an update on other IASB activities. Click **here** to access the *EFRAG Update* newsletter.

EFRAG issues updated 'endorsement status report'

The EFRAG updated its report showing the status of endorsement, under the EU Accounting Regulation, of each IFRS. Since the last report, final endorsement advices have been submitted to the European Commission for the package of five standards, amendments to IAS 32 and amendments to IFRS 7, and a draft endorsement advice has been issued for *Government Loans* (Amendments to IFRS 1). 15 IASB pronouncements await endorsement action. Click **here** to access the updated endorsement status report.

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Deloitte IFRS communications and publications

Issuance Date	Description
30 April 2012	**Global Insurance Webcast – 'Preparation for an OCI decision continues in the midst of several minor convergence decisions':** Deloitte's most recent global insurance webcast provides an update of progress and key developments on the insurance project following the joint IASB and FASB April 2012 meeting.
27 April 2012	**IFRS podcast:** Deloitte IFRS Podcast providing an update on the IASB and FASB's leases project.
27 April 2012	**IFRS podcast:** Deloitte IFRS Podcast providing an update on the IASB and FASB's revenue recognition project.
27 April 2012	**IFRS podcast:** Deloitte IFRS Podcast providing an update on the IASB and FASB's financial instruments project.
25 April 2012	**IFRS Industry Insights:** IASB issues a revised exposure draft on revenue recognition – insights for the insurance industry.
17 April 2012	**IFRS Industry Insights:** IASB issues a revised exposure draft on revenue recognition – insights for the financial services industry.
5 April 2012	**IFRIC Review:** Summary of the IFRS Interpretations Committee meeting on 13-14 March 2012.
4 April 2012	**Global Insurance Webcast – 'Aggregating contracts and disaggregating deposit components':** Deloitte's most recent global insurance webcast provides an update of progress and key developments on the insurance project following the joint IASB and FASB March 2012 meeting.
3 April 2012	**New and amended pronouncements:** Summary of new and amended pronouncements to consider for financial reporting periods ending on or after 31 March 2012.

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IASB meetings

Description	
IASB meeting	Click **here** for the 16-19 April 2012 meeting notes.

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Comment letters

	Description	Receiving party	Comment deadline
Comment letters issued	Discussion Paper, *Accounting for business combinations under common control*	EFRAG and the Organismo Italiano di Contabilità	30 April 2012
Comment letters pending	IFRS Interpretations Committee tentative agenda decisions: IAS 1 *Presentation of Financial Statements* and *IAS 12 Income Taxes* – Presentation of payments of non-income taxes IAS 12 *Income Taxes* – Accounting for market value uplifts introduced by a new tax regime	IFRS Interpretations Committee	22 May 2012
	Discussion Paper, *Improving the Financial Reporting of Income Tax*	EFRAG and the UK Accounting Standards Board	29 June 2012

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