

IFRS on point.

IFRS Accounting Developments and Information: August 2012

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International headlines

IFRS Foundation Trustees issue summary of their July 2012 meeting

The Trustees of the IFRS Foundation issued a summary of their July 2012 meeting held in Washington DC. Agenda topics included:

- A report of the Chairman of the International Accounting Standards Board (IASB) concerning the status of the four main Memorandum of Understanding (MoU) and convergence projects with the US Financial Accounting Standards Board.
- A report of the Chairman of the IFRS Advisory Council on issues discussed at the June 2012 Advisory Council meeting and the draft *Due Process Handbook*.
- A report of the Chairman of the Due Process Oversight Committee on feedback received on the draft *Due Process Handbook* and the comprehensive review of the *IFRS for SMEs* (International Financial Reporting Standard for Small and Medium-sized Entities).
- An update on the *IFRS for SMEs*.
- The results of regional outreach activities on whether and how to incorporate IFRSs into the US financial reporting system.
- The results of a meeting with the IFRS Foundation Monitoring Board to discuss progress in following up the recommendations of their respective reviews of the governance and strategy of the organisation.

Click [here](#) for the Trustees' summary of the meeting and [here](#) for Deloitte's observer notes from the meeting.

GRI releases further elements of proposed next generation sustainability reporting guidelines

The Global Reporting Initiative (GRI) released two exposure drafts on the next generation of its Sustainability Reporting Guidelines ('G4'). These exposure drafts seek to improve the way companies report on anti-corruption and greenhouse gas (GHG) emissions in their overall sustainability reporting. They propose new guidance to enable companies to report information on their anti-corruption policy, their publicly stated commitment to zero tolerance of corruption, their training of employees, governance bodies and business partners on anti-corruption and their collective action initiatives towards combating corruption. They also propose to align more closely GRI's guidance with the GHG Protocol set of standards, jointly released by the World Resources Institute and the World Business Council for Sustainable Development, and the ISO 14064 standard produced by the International Standards Organization for Standardization. Comments on the exposure drafts are due by 12 November 2012. Click [here](#) for the GRI press release.

For more useful information please see the following websites:

www.iasplus.com

www.deloitte.com

Research report explores the value of 'extra-financial' disclosure to investors and analysts

A new research report commissioned by the GRI and The Prince's Accounting for Sustainability Project (A4S) explores how investors and analysts source, use and are influenced by non-financial information such as disclosures on governance, human rights, human capital practices and environmental issues (referred to as 'extra-financial information'). The report shows that for the majority of investors and analysts surveyed, extra-financial information is relevant to investment decision-making or analysis. Other findings of the report include:

- Investors and analysts use multiple sources to gather relevant financial and extra-financial information but show a strong preference for sources which are more comprehensive and specialised.
- Over 80 percent of investors and analysts surveyed believe that integrated reporting will deliver benefits to their analysis and company assessments.
- Less than 10 percent of those surveyed indicate they use eXtensible Business Reporting Language (XBRL) and that it affects how they receive financial information.

Click [here](#) to access the research report.

Indian minister suggests IFRS adoption from 2013

In a recent address at a seminar organised by The Associated Chambers of Commerce and Industry of India (ASSOCHAM) in New Delhi, the Indian Minister for Corporate Affairs and Power Dr. M. Verappa Moily indicated that the implementation of Indian Accounting Standards that are compatible with IFRSs may occur by 1 April 2013. Click [here](#) for the ASSOCHAM press release.

ESMA publishes summary of responses to its consultation on materiality in financial reporting

The European Securities and Markets Authority (ESMA) published a summary of the responses received on its November 2011 consultation paper on materiality in financial reporting; noting 50 responses from a broad range of stakeholders. The consultation identified a potential need for further guidance on the application of the concept of materiality. However, respondents suggested that this issue should be addressed by the IASB, rather than ESMA. Other specific findings of the consultation included:

- The majority of all respondents believe that the concept of materiality is generally well understood. However, diversity was noted in application.
- Diversity in application was attributed to management judgement, separate perspectives of different stakeholder groups and general difficulties in applying the concept to certain circumstances.
- Many respondents believe that the application of a materiality concept to disclosures could help address the problem of too many disclosures obscuring the reporting about an entity's financial position and performance.
- The majority of respondents were of the opinion that the principles to be applied in assessing materiality in interim and annual financial reports should be the same.

Click [here](#) for ESMA's summary of responses and [here](#) for the November 2011 consultation paper.

EFRAG publishes endorsement advice and effects study reports

The European Financial Reporting Advisory Group (EFRAG) submitted to the European Commission its endorsement advice letters and effects study reports on *Annual Improvements to IFRSs: 2009–2011 Cycle* and *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance* (Amendments to IFRS 10, IFRS 11 and IFRS 12). In its reports, EFRAG recommends both sets of amendments for endorsement. However, for the amendments to the transition guidance in IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*, EFRAG recommends deferring the mandatory effective date of the amendments from 1 January 2013 to 1 January 2014 in order to align the mandatory effective date of the amendments with EFRAG's previously recommended deferral of the effective date of IFRS 10, IFRS 11 and IFRS 12. Click [here](#) for the EFRAG press release on *Annual Improvements to IFRSs: 2009–2011 Cycle* and [here](#) for the EFRAG press release on *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance* (Amendments to IFRS 10, IFRS 11 and IFRS 12).

ACCA publishes discussion paper on the effects of integrated reporting

The Association of Chartered Certified Accountants (ACCA) issued a discussion paper providing insights into the impact of integrated reporting on companies' corporate reporting based on an academic study of recent experience in South Africa. The ACCA discussion paper contains a number of specific recommendations for the development of an international integrated reporting framework under the auspices of either the International Integrated Reporting Council (IIRC) or another organisation, including:

- The way in which information is set out could be more concise to avoid repetition.
- The form of reporting could be extended to incorporate more feedback from consultation with stakeholders regarding social and environmental issues and corporate responsiveness to feedback.
- Organisations should solicit the views of their major stakeholders about the social, environmental and ethical information (and underlying policies and practices) that they report and include these views within integrated reports.
- Academics can and should play a significant role in researching the integrated reporting framework and its applicability.
- Academics should continue to play an important role in educating potential managers and users in integrated reporting through university and professional education in which they are involved.

Click [here](#) for the discussion paper.

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Deloitte IFRS communications and publications

Issuance Date	Description
31 August 2012	IFRS in Focus: IASB issues a Request for Information on the Post-implementation Review of IFRS 8.
22 August 2012	IFRSs in your pocket 2012: An update of developments in IFRSs through the second quarter of 2012.
14 August 2012	IFRIC Review: Summary of the IFRS Interpretations Committee meeting on 10 July 2012.

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Comment letters

	Description	Receiving party	Comment
Comment letters pending	Exposure Draft/2012/1, <i>Annual Improvements to IFRSs: 2010 – 2012 Cycle</i>	IASB	5 September 2012
	Invitation to Comment, <i>IASB and IFRS Interpretations Committee Due Process Handbook</i>	IFRS Foundation	5 September 2012
	Draft IFRIC Interpretation/2012/1, <i>Levies Charged by Public Authorities on Entities that Operate in a Specific Market</i>	IFRS Interpretations Committee	5 September 2012
	IFRS Interpretations Committee tentative agenda decisions: <i>IAS 18 Revenue, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IAS 39 Financial Instruments: Recognition and Measurement – Regulatory assets and liabilities</i>	IFRS Interpretations Committee	17 September 2012
	<i>IAS 39 Financial Instruments: Recognition and Measurement – Scope of paragraph AG5</i>		
	Draft IFRIC Interpretation/2012/2, <i>Put Options Written on Non-controlling Interests</i>	IFRS Interpretations Committee	1 October 2012
	IFRS Foundation Constitution Drafting Review, <i>Separating the role of the IASB Chair and the Executive Director</i>	IFRS Foundation	23 October 2012
	Request for Information, <i>Post-implementation Review: IFRS 8 Operating Segments</i>	IASB	16 November 2012
	Request for Information, <i>Comprehensive Review of the IFRS for SMEs</i>	IASB	30 November 2012
	Discussion paper, <i>Toward a Disclosure Framework for the Notes</i>	EFRAG, the French Autorité des Normes Comptables and the UK Financial Reporting Council Accounting Committee	31 December 2012

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