



IFRS on Point

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IASB posts webcast on IFRS 9 forward-looking information

The IASB has made available a webcast discussing forward-looking information in the application of the expected credit loss impairment requirements in IFRS 9.

The webcast, which features IASB member Sue Lloyd, Technical Director Kumar Dasgupta, and Practice Fellow Uni Choi, covers the following topics:

- when multiple scenarios are relevant and the concept of non-linearity;
- consistency of scenarios;
- probability-weighted assessment of significant increase in credit risk; and
- approaches to incorporating forward-looking scenarios.

The webcast is available on the IASB's website.

Click [here](#) for more information.

IASB updates work plan

Following its July 2016 meeting, the IASB has updated its work plan. The main change in the work plan presentation is that the Board's active research projects and standard-setting projects are presented on one page, with research appearing before standard-setting. This was done to indicate that research projects typically lead on to standard-setting projects (if the research provides sufficient evidence that standard-setting is needed), to avoid implying that standard-setting projects are automatically more important or more urgent than research projects, and to avoid the confusion caused by some projects appearing on both the research and major projects pages.

The research projects now also include milestones for progress made and expected. Also, research projects are no longer classified as being in either the assessment or the development phase as the distinction was confusing to users. Projects that are in the "research pipeline" are no longer presented in the work plan at all.

The page dedicated to narrow scope amendments and IFRS maintenance now also includes IFRS Taxonomy activities and developments in the post-implementation reviews.

For more information please see
the following websites:

www.iasplus.com

www.deloitte.com

Changes to the projects itself include:

Research projects

- *Disclosure initiative: Principles of Disclosure*: Updated to indicate that the discussion paper is expected in October/November 2016 (had been announced as coming out “within six months” since July 2015)

Standard-setting and related projects (major projects)

- *Disclosure initiative: Materiality Practice Statement*: Updated to indicate that a decision on the direction of the project is now expected within 3 months; previously it was within 6 months.
- *Amendments to IFRS 4: Applying IFRS 9 with IFRS 4*: Updated to indicate that the final amendments are now expected within 3 months (September); previously it was within 6 months.

Implementation projects (narrow scope amendments)

- *Changes in Accounting Policies and Estimates*: Updated to indicate that an exposure draft is now expected within 6 months; previously it was after 6 months.
- *Definition of a Business* and *Accounting for Previously Held Interests*: Updated to indicate that the project is currently in the public consultation phase with a decision on the direction of the project to occur after 6 months.
- *Annual improvements 2014–2016*: Updated to indicate that the project is currently in the drafting phase and the amendments are expected within 6 months.
- *Annual improvements 2015–2017*: Updated to indicate that the project is currently in the drafting phase and an exposure draft is expected within 6 months.

Click [here](#) for the revised IASB work plan available on the IASB's website.

New Chair of the IFRS Foundation Monitoring Board

The IFRS Foundation Monitoring Board, responsible for the oversight of the IFRS Foundation, has announced that Masamichi Kono has stepped down as Chair of the Monitoring Board.

Ryozo Himino, Vice Minister for International Affairs of the Japan Financial Services Agency (FSA), was appointed by the Monitoring Board to serve as Chair for the remainder of Mr. Kono's term until February 2017.

Click [here](#) for the press release announcing this change on the IOSCO website.

IASB issues 'Investor Update' newsletter

The IASB has issued the tenth edition of its newsletter '*Investor Update*', which provides investors with quick access to information about current accounting and financial reporting topics.

This issue features:

- Views from Barbara Cohen, Head of European Credit Research at BNP Paribas Investment Partners,
- Essentials and 'Non-IFRS' information,
- Current projects that need input from the investment community, and
- Information on investor materials and current events.

Click [here](#) for the *Investor Update* newsletter available on the IASB's website.

EFrag announces composition of the working groups for insurance and financial instruments

The European Financial Reporting Advisory Group (EFRAG) has announced the new composition of their Insurance Working Group and Financial Instruments Working Group.

The composition of the working groups contains a balance of different backgrounds and geographical origins.

Click [here](#) for more information.

EFRAG draft comment letter on proposed amendments on the application of the definition of a business

The European Financial Reporting Advisory Group (EFRAG) has issued a draft comment letter on the IASB exposure draft ED/2016/1 *'Definition of a Business and Accounting for Previously Held Interests'*.

EFRAG welcomes the IASB proposal and supports the following:

- A more comprehensive framework and reduces the workload when distinguishing business combinations from asset acquisitions compared to the current guidance in IFRS 3.
- Inclusion of a 'screening test' with some suggested improvements to accommodate more borderline cases.
- Different sets depending on whether the set of activities and assets has outputs.
- The use of illustrative examples but with a greater focus on guidance that requires significant judgement.
- The clarification of the accounting for previously held interests to align with the definition of a business.

Further, the EFRAG encourages a converged approach by the IASB and FASB regarding the proposals. Comments on EFRAG's draft comment letter are requested by 18 October 2016.

For more information, see the **press release** and the **draft comment letter** on the EFRAG website.

EBA consults on guidance on accounting for expected credit losses

The European Banking Authority (EBA) has launched a consultation on draft guidelines on credit institutions' credit risk management practices and accounting for expected credit losses.

The EBA draft guidelines build on the guidance by the Basel Committee on Banking Supervision (BCBS) in December 2015 on the same matter and feature a detailed section on the application of IFRS 9 *Financial Instruments*. The draft guidance notes:

The EBA welcomes the move from an incurred loss model to an ECL model under IFRS 9. IFRS 9 is, overall, an improvement compared to IAS 39 in the accounting for financial instruments and the changes on credit loss provisioning should contribute in addressing the G20's concerns about the issue of 'too little, too late' recognition of credit losses and improve the accounting recognition of loan loss provisions by incorporating a broader range of credit information. IFRS 9 is therefore expected to address some prudential concerns and contribute to financial stability. However, the application of IFRS 9 also requires the use of judgement in the ECL assessment and measurement process which could potentially affect the consistent application of IFRS 9 across credit institutions and the comparability of credit institutions' financial statements.

The EBA notes that the objective of the proposed guidelines is to be in line with the BCBS guidance. The EBA guidelines would also not prevent credit institutions from meeting the impairment requirements in IFRS 9.

Comments on the draft guidance are requested by 26 October 2016. The EBA aims to finalise the proposed guidelines during the fourth quarter of 2016 or first quarter of 2017, taking into account the comments received during the consultation. The guidelines should be implemented by 1 January 2018.

Please click below for the following additional information on the EBA website:

- **Press release;**
- **Draft guidance;** and
- **Information on a public hearing on the guidance** to be held on 3 October 2016 in London

Analysis of IFRS application by listed companies around the world

The IFRS Foundation has released an analysis of the number of listed companies using IFRSs around the world.

The analysis combines information about the numbers of listed companies published on the websites of the two major global associations of securities exchanges: World Federation of Exchanges (WFE) and Federation of European and Asian Stock Exchanges (FEAS) with the information on the use of IFRSs around the world.

The analysis concludes that of the approximately 48,000 domestic listed companies on the 85 major securities exchanges in the world more than 25,000 use IFRSs. Not surprisingly, of those domestic listed companies that do not use IFRSs, over 80 per cent are listed in China, India, Japan, and the United States.

Click [here](#) access the full analysis on the IASB website.

ICAEW and IFRS Foundation announce IFRS 16 conference

The IFRS Foundation, along with the Institute of Chartered Accountants in England and Wales (ICAEW), will be hosting an IFRS conference on the implementation of IFRS 16 *Leases*, in London on 7 October 2016.

The conference will cover topics on:

- Implementation issues.
- IFRS 16 transition.
- Definition of a lease.
- Business implications.
- Disclosure requirements.

Click [here](#) for more information on the conference available on the ICAEW website.

EFrag issues feedback summary on recent leases outreach event

The European Financial Reporting Advisory Group (EFRAG) has issued a summary of the feedback received on a joint leases outreach event co-hosted by the European Federation of Financial Analysts Societies (EFFAS), and the Association Belge des Analystes Financiers (ABAF/BVFA) on 5 July.

The outreach event provided investors an opportunity to learn about the main changes between IFRS 16 and IAS 17 as well as the differences between IFRS 16 and the US GAAP equivalent Standard. In addition, participants provided their views on the leases standard, which included discussions on:

- advantages and disadvantages of IFRS 16 for financial statement users;
- population of contracts captured by the scope of IFRS 16;
- IFRS 16 presentation requirements;
- non-GAAP measures; and
- overall impact of IFRS 16.

Click [here](#) for more information, see the feedback summary on the EFRAG's website.

ESMA calls for consistent application of IFRS 15

The European Securities and Markets Authority (ESMA) has published a Public Statement aimed at promoting the consistent application of IFRS 15 *'Revenue from Contracts with Customers'* by European issuers listed on regulated markets.

In light of the expected impact and importance of the implementation of IFRS 15, ESMA highlights the need for consistent and high-quality implementation of IFRS 15 and the need for transparency on its impact to users of financial statements. The statements addresses the following topics:

- Transparency on implementation and effects of IFRS 15;
- Specific considerations;
- Illustrative timeline and good practices of disclosures; and
- Next steps.

Click [here](#) to download the IFRS 15 public statement from the ESMA website.

Summary of the June 2016 ITCG meeting

The IASB has published notes to the IFRS Taxonomy Consultative Group (ITCG) meeting held on 7 June 2016.

The ITCG discussed:

- update on the Board's work to improve communication of financial information, including the IFRS Taxonomy;
- use of structured electronic reporting, including the IFRS Taxonomy;
- IFRS Taxonomy implementation guidance;
- IFRS Taxonomy content areas for review;
- IFRS Taxonomy educational materials; and
- ITCG member updates.

Click [here](#) for more information, see the meeting notes on the IASB website.

First joint meeting of EFRAG and KASB

Acknowledging the importance of co-operation by members of the international community applying IFRS, the European Financial Reporting Advisory Group (EFRAG) and the Korean Accounting Standards Board (KASB) held their first joint meeting on 5 July 2016 in Brussels.

The major topic of the technical discussion was the IASB's *Conceptual Framework* project, especially in relation to measurement. Both parties supported further guidance being provided in this area.

EFRAG and the KASB plan to meet again in Korea in 2017.

Click [here](#) to access the joint press release on the meeting on the EFRAG website.

EFRAG president appointed

The European Financial Reporting Advisory Group (EFRAG) General Assembly approved the appointment of Jean-Paul Gauzès as EFRAG Board President.

Click [here](#) for the EFRAG press release on the General Assembly vote.

IFRS Interpretations Committee at full membership again

The Trustees of the IFRS Foundation have confirmed the appointment of Andrew Buchanan to the IFRS Interpretations Committee.

Mr. Buchanan is the Global Head of IFRS at BDO, and is a member of the IASB/FASB Joint Transition Resource Group for Revenue Recognition. He is also a member of the Federation of European Accountants (FEE) Corporate Reporting Policy Group and the Institute of Chartered Accountants of Scotland (ICAS) Accounting Standards Committee, and an independent member of the UK Government Financial Reporting Advisory Board.

For additional information see below:

- **IASB press release;** and
- **Overview of IFRS Committee responsibilities and membership.**

ICAS: UK unlikely to depart from IFRSs if it intends to remain a global player

After the EU referendum in the UK, the Institute of Chartered Accountants of Scotland (ICAS) published a list with 20 questions on the 'Brexit' ranging from business and trade to accounting and audit. In three separate batches, the ICAS staff have now published some answers to those questions and provide additional context and background to the key issues.

The ICAS staff argue that if the UK intends to remain a global player, "then one would expect that it would need to require listed entities to comply with global standards in the area of financial reporting". They state: *"IFRS is now seen as the global benchmark in terms of financial reporting standards and therefore their use, or the use of Standards substantively based on the IFRS framework (adopted standards), would appear to be the primary option."*

However, the ICAS staff point out that following its exit the UK would have the ability to specifically adopt IFRS standards as issued by the IASB without them firstly having to be adopted by the EU. They also explain that the UK could establish its own adoption mechanism, possibly via the Financial Reporting Council (FRC).

Please click for the following information on the ICAS website:

- **List of 20 questions**
- **Answers on business and trade**
- **Answers on bridging the policy gap**
- **Answers on taxation and accounting**

Deloitte IFRS communications and publications

Issuance Date	Description
26 July 2016	IFRS in Focus – IASB proposes amendments to clarify the Definition of a Business and the Accounting for Previously Held Interests
22 July 2016	IFRS in Focus – Alternative performance measures: A practical guide
05 July 2016	IFRS in Focus – UK referendum on membership of the European Union – Financial reporting implications
05 July 2016	Guides to pronouncement – Leases – A guide to IFRS 16
05 July 2016	Other Global publications – IFRS 9: the challenges for Securitisation entities

IASB and IFRS Interpretations Committee meetings

Description	
IASB meeting	Click here for the 18 – 19 July 2016 meeting notes.
IFRS IC meeting	Click here for the 12 July 2016 meeting notes.

Hot topics on IFRS

Topic	
Country by country reporting	Click here for more information on the developments related to proposals to require the publishing of financial information by country or jurisdiction
Differential reporting	Click here for more information dealing with the financial reporting needs and requirements of different categories of entities (listed, public, private)
Global financial crisis	Click here for more information on global financial crisis
Islamic accounting	Click here for more information responding to concerns that existing accounting Standards such as IFRSs or local GAAP may be perceived to be insufficient to account for and report Islamic financial transactions
Use of IFRS by jurisdiction	Click here for more information on use of IFRS within different jurisdictions
IFRS in Europe	Click here for more information on IFRS in Europe
Research and education matters	Click here for more information on research and education matters

Comment letters

	Description	Receiving party	Date issued/Comment deadline
Comment letters issued	Tentative agenda decision on IAS 32: <i>Written puts over non-controlling interests to be settled by a variable number of the parent's shares</i>	IASB	22 July 2016
	Tentative agenda decision on IAS 39: <i>Fees and costs included in the '10 per cent' test for the purposes of derecognition</i>	IASB	22 July 2016
	Tentative agenda decision on IFRIC 12: <i>Service concession arrangements for which the infrastructure is leased</i>	IASB	22 July 2016
Comment letters pending	–	–	–

Effective dates

Click [here](http://www.iasplus.com/standard/effect.htm) for upcoming and recent effective dates. <http://www.iasplus.com/standard/effect.htm>

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Deloitte IFRS communications and publications

Issuance Date	Description
30 June 2016	Other Global publications – Leading into the future – Illustrative IFRS financial statements for Investment Funds 2015
28 June 2016	IFRS in Focus – IASB introduced amendments to IFRS 2 related to the classification and measurement of share-based payment transactions
23 June 2016	IFRS in your pocket – IFRS in your pocket 2016
17 June 2016	Other Global publications – The implementation of IFRS 9 impairment requirements by banks
07 June 2016	Special Topics – Insurance webcast 60 – Solutions to IFRS 9 and IFRS 4 Phase II decoupling

IASB and IFRS Interpretations Committee meetings

Description	
IASB meeting	Click here for the 20 – 22 June 2016 meeting notes.

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Country by country reporting	Click here for more information on the developments related to proposals to require the publishing of financial information by country or jurisdiction
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Comment letters

	Description	Receiving party	Date issued/ Comment deadline
Comment letters issued	Tentative agenda decision: <i>IFRS 11 Joint Arrangements and IFRS 10 Consolidated Financial Statements: Accounting for loss of control transactions</i>	IASB	06 June 2016
Comment letters pending	–	–	–

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