

# IFRS on point.

## IFRS Accounting Developments and Information: October 2010

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IFRS on point is new Deloitte publication that highlights the month's important IFRS developments and information. Please be sure to visit [IAS Plus](#) for your IFRS information.

## International headlines

### **Hans Hoogervorst appointed IASB Chairman and Ian Mackintosh appointed vice-chairman**

The Trustees of the IFRS Foundation announced the appointment of Hans Hoogervorst as chairman of the IASB and Ian Mackintosh as vice-chairman of the IASB. Hans Hoogervorst will succeed Sir David Tweedie upon his retirement as chairman of the IASB at the end of June 2011. Click [here](#) for the IASB press release.

### **IASB finalises enhanced derecognition disclosure requirements for transfers of financial assets**

The IASB issued amendments to IFRS 7 *Financial Instruments: Disclosures* as part of its comprehensive review of "off balance sheet" activities. The objective of the amendments is to improve transparency of transactions involving transfers of financial assets, including understanding the possible effects of any risks that may remain with the entity that transferred the assets. Entities are required to apply the amendments to annual periods beginning on or after 1 July 2011. In the first year of application, comparative information is not required. Click [here](#) for the IASB press release and [here](#) for the IASB feedback statement outlining how the IASB responded to feedback received through the consultation process. Click [here](#) for Deloitte IFRS in Focus newsletter explaining amendments.

### **IASB issues additions to IFRS 9 for financial liability accounting**

The IASB issued revised IFRS 9 *Financial Instruments* that includes requirements on the accounting for financial liabilities. These requirements complete the classification and measurement phase of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. Under the new requirements, an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income section of the income statement, rather than within profit or loss. Click for [here](#) for IASB press release and [here](#) for the IASB feedback statement outlining how the IASB responded to feedback received through the consultation process.

### **IASB and FASB consult on effective dates and transition for new accounting standards**

The IASB and the FASB published documents seeking views on when new accounting standards should become effective and the appropriate transition methods for those standards. With a number of major projects planned to be completed in 2011, the boards will use this information as they jointly develop an implementation plan to help stakeholders manage both the pace and cost of change. The comment period is open until 31 January 2011. Click [here](#) for the IASB Request for Views.

For more useful information please see the following websites:

[www.iasplus.com](http://www.iasplus.com)

[www.deloitte.com](http://www.deloitte.com)

### **IASB and FASB delay three projects**

During their joint meeting in October 2010, the IASB and the FASB deliberated the future of the projects *Reporting Entity* (Conceptual Framework), *Financial Statement Presentation* and *Financial Instruments with Characteristics of Equity*. Both boards concluded that all three projects deserve much more attention than the current Boards' capacity allows and therefore have decided to defer discussing these projects until after June 2011.

### **SEC staff publishes progress report on IFRS work plan**

The SEC staff published its **first progress report** on its IFRS Work Plan. The purpose of the Work Plan is to consider specific areas and factors relevant to a Commission determination in 2011 as to whether, when, and how the current financial reporting system for U.S. issuers should be transitioned to a system incorporating IFRS. The SEC staff expects to continue to report periodically on the status of the Work Plan in 2011.

### **Duck-Koo Chung to serve as Trustee of the IFRS Foundation**

The IFRS Foundation, the oversight body of the IASB, confirmed the appointment of Duck-Koo Chung (Republic of Korea) to serve as a Trustee of the IFRS Foundation for an initial three-year term, with effect from 1 January 2011. Jeffrey Lucy (Australia) and Pedro Malan (Brazil) have been reappointed to serve as Trustees of the IFRS Foundation. Click [here](#) for the IFRS Foundation's press release.

### **Trustees to review the IFRS Interpretations Committee**

The IFRS Foundation Trustees' Due Process Oversight Committee is carrying out a review of the IFRS Interpretations Committee in order to assess its effectiveness. The Trustees are seeking input by means of a **questionnaire**. The closing date for completion of the questionnaire is 31 January 2011. The Trustees are expected to publish a report from their review in the first half of 2011. Click [here](#) for the press release.

### **IASB webcasts and podcasts available for download along with new Investor Perspectives**

Podcasts of the October IASB meetings are available on the IFRS Foundation website. Click [here](#) to access the podcast summaries. Click [here](#) to access the October meetings audio playback.

Two new issues of the *Investor Perspectives* have been published. Click [here](#) to access the Insurance contracts publication and [here](#) to access the Lessor accounting publication.

### **Deloitte IFRS Podcasts on financial instruments**

Andrew Spooner, lead IFRS financial instruments partner, and Bob Uhl, head of the US Accounting Standards group and US IFRS Centre, debate the IASB and FASB's proposals for financial instruments. Click [here](#) to download the podcast summaries.

### **CESR publishes summaries of IFRS enforcement decisions**

The Committee of European Securities Regulators (CESR) published the ninth batch of extracts from its database of enforcement decisions taken by EU national enforcers of financial information. Click [here](#) to access this decision summary covering classification of financial liabilities, hedge accounting, revenue recognition, intangible assets, impairment of non-financial assets, consolidation, share-based payment and disclosures of financial instruments.

### **Proposed international auditing standard on auditing complex financial instruments**

The International Auditing and Assurance Standards Board (IAASB) issued a new proposed pronouncement – International Auditing Practice Statement (IAPS) 1000 Special Considerations in Auditing Complex Financial Instruments. Click [here](#) for the IAASB Press Release, which includes a link to download the proposal. Comments are due by 11 February 2011.

### **Green paper on audit reform**

The European Commission has issued a consultation paper on audit policy. A Green Paper, entitled **Audit Policy: Lessons from the Crisis**, seeks to open debate on the role of the auditor, the governance and the independence of audit firms, the supervision of auditors, the configuration of the audit market, the creation of a single market for the provision of audit services, the simplification of rules for Small and Medium Sized Enterprises and Practitioners and the international co-operation for the supervision of global audit networks. Comments on the Green Paper close on 8 December 2010. Click [here](#) for the Deloitte media statement on the proposals.

## Deloitte IFRS communications and publications

Issuance Date	Description
19 October 2010	IFRS in Focus – Amendments to IFRS 7
11 October 2010	IFRS in Focus – Conceptual Framework
11 October 2010	IFRS in Focus – Severe Hyperinflation

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## IASB meetings

Description
IASB meetings

Click [here](#) for the notes of the 5 October 2010 meeting  
Click [here](#) for the notes of the 19-22 October 2010 meeting  
Click [here](#) for the notes of the 27 October 2010 meeting

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## Comment letters to the IASB

	Description	Comment date
Comment letters issued	Revenue from contracts with customers	22 October
	Removal of Fixed Dates for First-time Adopters	27 October
Comment letters	Income Taxes	9 November
Pending	Insurance Contracts	27 November
	The annual improvement process: Proposals to amend the Due Process Handbook of the IASB	30 November
	Severe Hyperinflation	30 November
	Leases	15 December
	Effective Dates and Transition Methods	31 January

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## Comment letters to the IFRS Interpretations Committee

	Description	Comment date
Comment letters pending	Share-based payment awards settled net of tax withholdings	10 October 2010
	Current/non-current classification of a callable term loan	
	Accounting for a statutory employee profit sharing arrangement	
	Put options written over non-controlling interests	
	Calculation of value in use	
Comment letters pending	Stripping Costs in Production Phase of a Mine	30 November

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