

IFRS on point.

IFRS Accounting Developments and Information: May 2011

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International headlines

IASB publishes final standards on consolidation, joint ventures and disclosures

The IASB published IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*, as well as revisions to IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. Each of the five new and revised standards have an effective date for annual periods beginning on or after 1 January 2013, with earlier application permitted so long as each of the five new and revised standards in the package are also early applied (although the disclosures required by IFRS 12 may be provided for earlier periods whether or not the other standards have been applied). Click [here](#) for the IASB press release.

IASB publishes final standard on fair value measurement

The IASB published IFRS 13 *Fair Value Measurement* which replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. IFRS 13 defines fair value, provides guidance on its determination and requires disclosures about fair value measurements but does not change the requirements about the items that should be measured or disclosed at fair value. IFRS 13 is effective for annual periods beginning on or after 1 January 2013 with early application permitted. Click [here](#) for the IASB press release.

IASB issues latest batches of editorial corrections to IFRSs

The IASB posted to its website new batches of editorial corrections to IFRSs that makes editorial corrections and changes to Bound Volume (Red Book) 2011, IFRS 10 (issued May 2011), IFRS 11 (issued May 2011), IFRS 12 (issued May 2011) and IFRS 13 (issued May 2011). Click [here](#) for editorial corrections.

SEC staff issues paper exploring possible method of incorporating IFRSs for U.S. issuers

The SEC staff issued a staff paper, *Exploring a Possible Method of Incorporation*. This staff paper presents a possible framework for the incorporation of IFRSs into the U.S. financial reporting system, colloquially referred to as "condorsement," and requests feedback from interested stakeholders. The staff paper also considers a potential future role of the U.S. Financial Accounting Standards Board. Comments on the framework described in the staff paper, and any other possible approaches of incorporation of IFRSs, are due by 31 July 2011. Click [here](#) for access to the staff paper.

National Standard Setters release report from their most recent meeting

The National Standard Setters (NSS) released a report from their March 2011 meeting. Highlights from the meeting include: discussion of the financial instruments project, effective dates of new standards, accounting treatment for 'bearer' biological assets and other topics including the status of certain of the IASB's current projects. Click [here](#) for the full report.

For more useful information please see the following websites:

www.iasplus.com

www.deloitte.com

Trustees of the IFRS Foundation issue strategy review comment letter analysis

The Trustees of the IFRS Foundation issued a summary strategy review response analysis (the “feedback report”) following the Foundation’s public consultation paper **Status of Trustees’ Strategy Review**. The feedback report provides an analysis of respondents’ comment letters from the public consultation paper as a basis for requesting feedback on the **April 2011 Trustees Strategy Review** by 25 July 2011. Click [here](#) for the feedback report.

IVSC issues update on the development of fair value guidance

The International Valuation Standards Council (IVSC) issued the latest edition of its ‘E-Newsletter’, which includes an update on the IVSC’s work on guidance for the determination of the fair value of financial instruments. This E-Newsletter includes discussion of the Financial Instruments Expert Advisory Group’s production of a high-level standard on financial instruments (IVS 250), which is expected to be published in June 2011, to assist in identifying valuation problems that the IVSC could include on its work plan. Click [here](#) for the latest edition of the E-Newsletter.

GRI issues new proposed sector supplements

The Global Reporting Initiative (GRI) published a ‘Sustainability Reporting Framework’, widely used by entities in reporting on their sustainability performance. The Framework includes Sustainability Reporting Guidelines (currently in their third version, or “G3 Guidelines”) which entities can follow in preparing sustainability reports. The GRI also recently announced the following:

- Commencement of the process of developing the fourth generation of the Sustainability Reporting Guidelines (“G4”), in which the GRI is seeking comments on GRI’s current guidance and suggestions for new topics for G4 in hopes of publishing a draft of the guidelines in August 2011. Click [here](#) for the announcement.
- A second draft of the ‘Media Sector Supplement’ as a tailored version of the G3 Guidelines for the media sector. Feedback on the second draft closes on 4 August 2011. Click [here](#) for the announcement.
- The final public comment period for the ‘Oil and Gas Sector Supplement’ as a tailored version of the G3 Guidelines for the sector. Feedback closes on 20 July 2011. Click [here](#) for the announcement.

CDSB responds to financial institutions research

The Climate Disclosure Standards Board (CDSB) published a report entitled *Financial Institutions: Taking Greenhouse Gas Emissions into Account*, as commissioned and funded by the UK Department of the Environment, Food and Rural Affairs. The report recommends introducing reporting policies requiring, at the minimum:

- companies to disclose their carbon emissions strategies and management programmes;
- relevant information disclosures to be audited in the same way as are company financial reports; and
- financial institutions of all types to disclose the adjusted effect of taking environmental considerations into account on portfolio risk levels.

Click [here](#) for the full CDSB report.

FEE issues guide on sustainability reporting frameworks

The Sustainability Group of the Federation of European Accountants (FEE) issued a guide to commonly used sustainability reporting when considering the identification and use of environmental, social and governance (ESG) indicators. As there is no unique globally recognised standard on sustainability, FEE believes there is a need to find a commonly agreed methodology on how to use the various guidance available to meet stakeholders’ needs. Click [here](#) for the sustainability guide.

OECD updates its Guidelines for Multinational Enterprises

The Organisation for Economic Co-operation and Development (OECD) has published a 2011 update to its 'Guidelines for Multinational Enterprises'. The Guidelines include recommendations for responsible business conduct that 42 adhering governments encourage their enterprises to observe wherever they operate. The 2011 update includes specific consideration of the need for entities to comply with disclosure requirements, both from a financial and non-financial perspective, in areas including social, environmental and risk reporting. Click [here](#) for the 'OECD Guidelines for Multinational Enterprises'.

IAASB calls for comments on proposed 'overarching' assurance standard

The International Auditing and Assurance Standards Board (IAASB) released for public comment a proposed revised International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. The proposed ISAE 3000 is a principles-based standard that is designed to be applied effectively to a broad range of assurance engagements. Comments on the exposure draft close on 1 September 2011. Click [here](#) for the IAASB announcement.

IAASB consults on enhancing the value of auditor reporting

The IAASB released its consultation paper, *Enhancing the Value of Auditor Reporting: Exploring Options for Change*, to obtain views on enhancing the quality, relevance and value of auditor reporting on an international basis. Citing a perceived "information gap" identified by some stakeholders in the usefulness of auditor reporting, the consultation paper sets out possible options for change and seeks input as to whether such options might be effective in enhancing auditor reporting. Comments on the consultation paper close on 16 September 2011. Click [here](#) for the IAASB press release.

IPSASB publishes exposure draft on conceptual framework for public sector entities

The International Public Sector Accounting Standards Board (IPSASB) released for comment an exposure draft *Key Characteristics of the Public Sector with Potential Implications for Financial Reporting*. The paper provides background on issues affecting the development of a conceptual framework for public sector entities and standard setting. In particular, it highlights that public sector entities are likely to depend upon taxation rather than commercially generated profits for their continued existence. Comments on the exposure draft close on 31 August 2011. Click [here](#) for the IPSASB announcement.

IFAC CEO discusses the need for transparency in government financial reporting

In a recent speech given to the World Bank Government Borrowers Forum, Ian Ball, Chief Executive Officer of the International Federation of Accountants (IFAC), discussed the importance of transparency in government financial reporting in noting that investors in government securities should be entitled to essentially the same high-quality financial information as they receive in relation to investments in corporate bonds or equities. In responding to the need for greater transparency, Mr. Ball noted that a number of countries are moving towards the adoption of International Public Sector Accounting Standards (IPSAS) or other accrual-based accounting systems. Click [here](#) for the full transcript and presentation.

EFRAG update with meeting summary for the May EFRAG TEG meeting

The European Financial Reporting Advisory Group (EFRAG) released the May 2011 issue of its EFRAG Update newsletter. Among the discussion topics include the EFRAG's finalisation of its comment letter on the IASB Exposure Draft: *Offsetting Financial Assets and Financial Liabilities*, as well as planning for actions needed to support future assessment of the IASB's new standards on consolidation, joint ventures, disclosures and fair value measurement. Click [here](#) for the EFRAG update.

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Deloitte IFRS communications and publications

Issuance Date	Description
30 May 2011	IFRS in Focus: IASB issues new standard on consolidation
20 May 2011	IFRS Industry Insights: The Revenue Recognition Project — An update for the consumer business industry.
20 May 2011	IFRS in Focus: IASB issues new standard on disclosure of interests in other entities
20 May 2011	IFRS in Focus: IASB issues new standard on fair value measurement and disclosure
20 May 2011	IFRIC Review: IFRS Interpretations Committee meeting held on 5-6 May 2011
19 May 2011	IFRS in Focus: IASB issues new standard on joint arrangements
16 May 2011	IFRS Industry Insights: The Leases Project — An update for the financial services industry.

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IASB and IFRIC meetings

Description	
IASB meetings	Click here for the 17-19 May 2011 meeting notes Click here for 11-12 May 2011 meeting notes Click here for 4 May 2011 meeting notes
IFRS Interpretations Committee meetings	Click here for 5-6 May 2011 meeting notes

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Comment letters

	Description	Receiving party	Comment date
Comment letters pending	Use of the IFRS for SMEs in Investment Funds With Only a Few Participants	SME Implementation Group	15 June
	Use of the IFRS for SMEs in the Interpretation of "Traded in a Public Market"	SME Implementation Group	15 June
	Use of the IFRS for SMEs in Captive Insurance Subsidiaries	SME Implementation Group	15 June
	Report on the Trustees' Strategy Review	Trustees of the IFRS Foundation	25 July

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