

IFRS on point.

IFRS Accounting Developments and Information: June 2011

Contents

- International headlines
 - Deloitte IFRS communications and publications
 - IASB meetings
 - Comment letters
 - Key contacts
-

International headlines

IASB publishes amendments to IAS 1 and IAS 19

The International Accounting Standards Board (IASB) published revisions to IAS 1 *Presentation of Financial Statements* and IAS 19 *Employee Benefits*, introducing new requirements on the presentation of comprehensive income and the accounting for employee benefits. Amendments to IAS 1 have an effective date for annual periods beginning on or after 1 July 2012, while amendments to IAS 19 have an effective date for annual periods beginning on or after 1 January 2013, with earlier application permitted. Click [here](#) for the IASB press release on amendments to IAS 1 and [here](#) for the press release on amendments to IAS 19.

Revenue recognition proposals to be re-exposed

The IASB and the US Financial Accounting Standards Board (FASB) tentatively decided to re-expose their revised proposals for a revenue recognition standard. The re-exposure document will contain a few questions on the technical changes, in addition to inviting feedback regarding the extent to which the revised requirements are understandable and whether the drafting of the requirements has created unintended consequences for specific contracts or industries. The IASB and FASB intend to re-expose their revised proposals in the third quarter of 2011 for a comment period of 120 days. Click [here](#) for the IASB press release.

IASB publishes updated work plan

The IASB published an updated work plan outlining the expected finalisation of its projects, with many of the major projects not expected to result in a finalised IFRS until the second half of 2012. The following is a summary of the revised timing of projects:

- Revenue recognition: re-exposure in the third quarter of 2011, with target date for a completed IFRS in the first half of 2012.
- Leases: re-exposure or a review draft in the third quarter of 2011, with a target date of completed IFRS in the first half of 2012.
- Financial instruments:
 - re-exposure or a review draft of the proposals on impairment in the second half of 2011
 - completed IFRS on hedge accounting expected in the fourth quarter of 2011
 - an exposure draft on macro hedge accounting to be published by the end of 2011
 - completed IFRS on asset and liability offsetting targeted for the third quarter of 2011.

For more useful information please see the following websites:

www.iasplus.com

www.deloitte.com

- Consolidation: an exposure draft on investment companies to be published in July 2011.
- Insurance contracts: re-exposure or a review draft expected in the fourth quarter of 2011, with a target date of a completed IFRS in the first half of 2012.
- Agenda consultation: a request for views arising from the three-yearly public consultation on the IASB's future technical agenda expected in the third quarter of 2011.

Click [here](#) to access the updated work plan.

IASB publishes amendment proposals under its annual improvements project

The IASB published an exposure draft of proposed amendments to five International Financial Reporting Standards (IFRSs) under its annual improvements project; IFRS 1 *First-time Adoption of IFRSs*, IAS 1 *Presentation of Financial Statements*, IAS 16 *Property, Plant and Equipment*, IAS 32 *Financial Instruments: Presentation* and IAS 34 *Interim Financial Reporting*. The exposure draft proposes that all of the amendments would be effective for annual periods beginning on or after 1 January 2013, although early adoption would be permitted. The IASB requests comments on the exposure draft by 21 October 2011. Click [here](#) to access the exposure draft.

IASB issues latest batch of editorial corrections to IFRSs

The IASB posted to its website a new batch of editorial corrections to IFRSs that makes editorial corrections and changes to *IFRS for SMEs* (issued July 2009), *Conceptual Framework for Financial Reporting* (issued September 2010), *Bound Volume (Red Book) 2011*, *Bound Volume (Blue Book) 2011*, IFRS 10 *Consolidated Financial Statements* (issued May 2011), IFRS 11 *Joint Arrangements* (issued May 2011), IAS 19 *Employee Benefits* (issued June 2011) and *Presentation of Items of Other Comprehensive Income* (issued June 2011). Click [here](#) for the editorial corrections.

Consultation on IASB's future agenda

The IASB announced a planned public agenda consultation of its future work plan. The 'Request for Views' will consider the future strategic direction and overall balance of the agenda. The IASB intends to publish its Request for Views in the third quarter of 2011, with a planned 120 day comment period. Click [here](#) for the IASB announcement.

SME Implementation Group publishes its first Q&A guidance

The SME Implementation Group (SMEIG) published its first final question and answer (Q&A) guidance on the IFRS for SMEs. Q&A 2011/01 *Use of the IFRS for SMEs in a Parent's Separate Financial Statements* addresses whether a parent entity that itself does not have public accountability may present its separate financial statements in accordance with the IFRS for SMEs if it is part of a group that is required (or elects) to present consolidated financial statements in accordance with full IFRSs. Click [here](#) for the IASB press release and published Q&A guidance.

New appointments to the IFRS Interpretations Committee

The Trustees of the IFRS Foundation, the oversight body of the IASB, announced appointments and reappointments to the IFRS Interpretations Committee (IFRIC). The new members of the Committee are as follows:

- Charlotte Pissaridou, Managing Director, Head of Accounting Policy for Europe, Middle East and Africa, Goldman Sachs International, UK (three-year term, replacing Jean-Louis Lebrun).
- Kazuo Yuasa, General Manager, IFRS Office, Corporate Finance Unit, Fujitsu Limited, Japan (one-year term, replacing Takatsugu Ochi, who has been appointed as a member of the IASB from 1 July 2011).

In addition, five members of IFRIC complete their term at the end of June 2011 and have been reappointed for a further three-year term. They are: Joanna Perry, Luca Cencioni, Jean Paré, Margaret Smyth and Scott Taub. Click [here](#) for the IFRS Foundation announcement.

Trustees announcement regarding the IFRS Advisory Council membership

The Trustees of the IFRS Foundation agreed to extend the terms of the Advisory Council leadership. Chair Paul Cherry's term has been extended for two years, ending on 31 December 2013; vice chair Charles Macek's term has been extended for three years, ending in December 2014; and vice chair Patrice Marteau's term has been extended for one year, ending December 2012. Additionally, the Trustees agreed to keep the current representative membership model with certain minor modifications. Click [here](#) for the IASB press release.

New issue of the IASB's *Investor perspectives*

The IASB launched a programme to enhance investors' participation in the development of IFRSs through a dedicated investor outreach programme. One such enhancement is a newsletter for investors entitled *Investor perspectives*, in which two recent newsletters have been issued as follows:

- Gross or net reporting under the *Offsetting Financial Assets and Financial Liabilities* exposure draft.
- Developing accounting standards consistent with the CFA Institute's vision.

Click [here](#) for the *Investor perspectives* newsletter.

IFRS Foundation publishes proposed IFRS Taxonomy enhancements

The IFRS Foundation published for public comment the exposure draft *IFRS Taxonomy 2011 interim release: common-practice concepts*. The proposed interim release contains supplementary tags for the IFRS Taxonomy that reflect disclosures that are commonly reported by entities in their IFRS financial statements. The supplementary tags are intended to enhance the comparability of financial information, and are consistent with IFRSs and the eXtensible Business Reporting Language (XBRL) architecture of the IFRS Taxonomy 2011. The proposals are open for comment until 2 August 2011. Click [here](#) for the IFRS Foundation announcement.

PAIB and ISACA publish a report on leveraging XBRL

The Professional Accountants in Business (PAIB) Committee of the International Federation of Accountants (IFAC) and ISACA, the organisation responsible for developing international information systems auditing and control standards, published *Leveraging XBRL for Value in Organizations*. This publication provides guidance on leveraging the value of XBRL through effective implementation, while noting the inherent ability of XBRL to communicate with a wide array of data types which support a range of key performance indicators for performance and sustainability reporting. Click [here](#) for the PAIB and ISACA publication.

IVSC releases updated proposals on ethical principles for professional valuers

The International Valuation Standards Committee (IVSC) released a second exposure draft, *Proposed Code of Ethical Principles for Professional Valuers*, aimed at providing better regulation of the global valuation profession. The exposure draft is an update to an initial set of proposals issued during 2010, but includes expanded guidance on the fundamental ethical principles and removes certain rules dealing with the execution of a valuation assignment. Comments on the exposure draft are requested by 31 August 2011. Click [here](#) for access to the exposure draft.

IAESB issues proposed revision to professional education standard

The International Accounting Education Standards Board (IAESB) released for public exposure a proposed revision of International Education Standard (IES) 1 *Entry Requirements to a Program of Professional Accounting Education*. The revised standard is intended to protect the public interest by both establishing fair and proportionate entry requirements and ensuring that requirements for entry to professional accounting education are not misrepresented. Comments on the document close on 21 September 2011. Click [here](#) for the IAESB press release.

Integrated reporting and sustainability reporting update

As part of its June 2011 IFRS Advisory Council meeting, the International Integrated Reporting Committee (IIRC) presented the Council with an update on integrated reporting, including the IIRC's plans and the likely timetable for the issuance of the IIRC discussion paper on integrated reporting. Among the recent developments in integrated and sustainability reporting included an IIRC European roundtable discussing the operationality of integrated reporting, carbon reporting in the United Kingdom and the IIRC's calls for participants in its Integrated Reporting Pilot Programme. Click [here](#) for Deloitte's *Sustainability reporting* webpage.

SEC Commissioner backs IFRS adoption, but discusses possible 'opt out' for issuers

US Securities Exchange Commission (SEC) Commissioner Kathleen L. Casey supported the adoption of IFRSs in the US in a recent speech at the Society of Corporate Secretaries and Governance Professionals 65th Annual Conference. Ms. Casey highlighted benefits of a single set of high-quality global accounting standards in increasingly global capital markets including providing investors with highly comparable, decision-useful information about businesses and reducing the burdens and costs for multinational corporations of reporting their financial results under multiple accounting systems. Ms. Casey also discussed the possibility of allowing some issuers, namely smaller reporting companies and other companies that have no international operations, the option to continue to report under US GAAP, perhaps on a permanent basis. Click [here](#) for the full text of the speech.

SEC Chief Accountant discusses convergence

In a recent speech given to the University of Southern California SEC and Financial Reporting Institute Conference, James L. Kroeker, Chief Accountant of the SEC, provided comment on the IFRS-US GAAP convergence process being undertaken by the IASB and FASB ('the Boards') in emphasising the need for the Boards to have adequate time to develop fully converged standards. Mr. Kroeker encouraged the Boards to reconcile differences in the proposed standards and to work to reach converged and improved solutions to difficult financial reporting issues. Click [here](#) for the full text of the speech.

5th IFRS policy forum for the Asia-Oceania region

The 5th IFRS International Forum took place in Kuta, Bali, in which Asia-Oceania region participants, in the form of policy makers, regulators and national standards setters from jurisdictions in different stages of their IFRS adoption roadmap, shared experiences in adoption and challenges faced. A communiqué released after the Forum shared conclusions including re-affirmation of commitment to the goal of ultimate adoption of IFRSs, agreement that the goal of adoption of IFRSs may need to be facilitated through a process of convergence and agreement of the importance of local standard setter bodies proactively partnering with the IASB. Click [here](#) for the communiqué.

Potential deferral in timing of mandatory IFRS adoption in Japan

The Japanese Minister for Financial Services discussed the following possible changes in relation to the mandatory adoption of IFRSs in Japan:

- not mandating adoption of IFRSs in Japan from fiscal year ending March 2015;
- in the event Japan decides to require IFRSs, providing a period of five to seven years before mandatory adoption to allow companies sufficient time to prepare for transition; and
- permitting the use of US GAAP for financial reporting purposes beyond the fiscal year ending March 2016, rather than eliminating the use of US GAAP beyond that date as is currently legislated.

EFRAG releases an update on IASB projects

The European Financial Reporting Advisory Group (EFRAG) released the June 2011 issue of its EFRAG Update newsletter, which included discussion of the IASB's new and revised standards related to consolidation, joint ventures and disclosures, redeliberations on other IASB projects including revenue, leases and insurance contracts, as well as other EFRAG projects. Click [here](#) for the EFRAG Update newsletter. The EFRAG also recently summarised the main messages expressed by the EFRAG delegation on the IASB's projects. Click [here](#) for a summary of these messages.

[Back to top](#)

Deloitte IFRS communications and publications

Issuance Date	Description
29 June 2011	IFRSs in your pocket 2011
28 June 2011	IFRS in Focus: IASB issues Exposure Draft on Improvements to IFRSs 2011
28 June 2011	IFRS Industry Insights: The Revenue Recognition Project – An update for the telecommunications industry
27 June 2011	IFRS in Focus: IASB amends accounting for post-employment benefits
24 June 2011	IFRS Industry Insights: Joint arrangements in the energy and resources industry
22 June 2011	IFRS in Focus: IASB issues amendments to IAS 1 on presentation of items in other comprehensive income
5 June 2011	IFRS Industry Insights: The Revenue Recognition Project – An update for the manufacturing industry

[Back to top](#)

IASB meetings

Description	
IASB meetings	Click here for the 13 – 15 June 2011 meeting notes Click here for the 31 May – 2 June 2011 meeting notes

[Back to top](#)

Comment letters

Description	Receiving party	Comment date	
Comment letters issued	SME Implementation Group	15 June 2011	
SME Implementation Group draft Q&As:			
Use of the IFRS for SMEs in Investment funds with only a few participants			
Use of the IFRS for SMEs in the interpretation of “traded in a public market”			
Use of the IFRS for SMEs in captive insurance subsidiaries			
IFRS Interpretations Committee tentative agenda decisions:	IFRS Interpretations Committee	20 June 2011	
IAS 16 <i>Property, Plant and Equipment</i> (Cost of testing)			
IAS 19 <i>Employee Benefits</i> (Defined contribution plans with vesting conditions)			
Comment letters pending	Report on the Trustees’ Strategy Review	Trustees of the IFRS Foundation	25 July 2011
	SEC staff paper work plan for the consideration of incorporating International Financial Reporting Standards into the financial reporting system for US issuers	US SEC Staff	31 July 2011
	Improvements to IFRSs	IASB	21 October 2011

[Back to top](#)

Key contacts

IFRS global office

Global Managing Director, IFRS Clients and Markets

Joel Osnos

ifrsglobalofficeuk@deloitte.co.uk

Global Managing Director, IFRS Technical

Veronica Poole

ifrsglobalofficeuk@deloitte.co.uk

Global IFRS Communications

Randall Sogoloff

ifrsglobalofficeuk@deloitte.co.uk

IFRS centres of excellence

Americas

Canada

Robert Lefrancois

iasplus@deloitte.ca

LATCO

Fermin del Valle

iasplus-LATCO@deloitte.com

United States

Robert Uhl

iasplusamericas@deloitte.com

Asia-Pacific

Australia

Anna Crawford

iasplus@deloitte.com.au

China

Stephen Taylor

iasplus@deloitte.com.hk

Japan

Shinya Iwasaki

iasplus-tokyo@tohmatu.co.jp

Singapore

Shariq Barmaky

iasplus-sg@deloitte.com

Europe-Africa

Belgium

Laurent Boxus

BEIFRSBelgium@deloitte.com

Denmark

Jan Peter Larsen

dk_iasplus@deloitte.dk

France

Laurence Rivat

iasplus@deloitte.fr

Germany

Andreas Barckow

iasplus@deloitte.de

Luxembourg

Eddy Termaten

luiasplus@deloitte.lu

Netherlands

Ralph ter Hoeven

iasplus@deloitte.nl

Russia

Michael Raikhman

iasplus@deloitte.ru

South Africa

Graeme Berry

iasplus@deloitte.co.za

Spain

Cleber Custodio

iasplus@deloitte.es

United Kingdom

Elizabeth Chrispin

iasplus@deloitte.co.uk

[Back to contents](#)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

"Deloitte" is the brand under which tens of thousands of dedicated professionals in independent firms throughout the world collaborate to provide audit, consulting, financial advisory, risk management, and tax services to selected clients. These firms are members of Deloitte Touche Tohmatsu Limited (DTTL), a UK private company limited by guarantee. Each member firm provides services in a particular geographic area and is subject to the laws and professional regulations of the particular country or countries in which it operates. DTTL does not itself provide services to clients. DTTL and each DTTL member firm are separate and distinct legal entities, which cannot obligate each other. DTTL and each DTTL member firm are liable only for their own acts or omissions and not those of each other. Each DTTL member firm is structured differently in accordance with national laws, regulations, customary practice, and other factors, and may secure the provision of professional services in its territory through subsidiaries, affiliates, and/or other entities.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or its and their affiliates are, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your finances or your business. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

None of Deloitte Touche Tohmatsu Limited, its member firms, or its and their respective affiliates shall be responsible for any loss whatsoever sustained by any person who relies on this publication.

© 2011 Deloitte Touche Tohmatsu Limited

Designed and produced by The Creative Studio at Deloitte, London. 12490A