Countdown

Deloitte Canada's IFRS transition newsletter

Happy New Year to everyone and welcome to the final edition of Countdown!

The Countdown clock has officially struck on January 1, 2011 marking the official date of transition to IFRSs for Canadian publicly accountable enterprises. This year has seen many twists and turns down the IFRS transition route with some significant developments in the timing and scope of International Accounting Standards Board (IASB) projects under development.

The focus in this final issue looks back on, and forward to, IFRS developments. In our lead article, we look back at significant events relevant to Canada's IFRS transition and look forward through a snapshot of the key IASB projects. A similar theme continues in the Real Deal as Lightyear conducts a final transition check with Hugh Guardian, their Deloitte advisor and gets ready to move out of transition and into the steady state world of IFRSs.

Given we are at the final issue of Countdown, I'd also like to share some perspectives of my own with you and give you a small taste of what is to come from Deloitte.

Regarding IFRS transition, time seems to have passed by very quickly since we first released our first issue of Countdown in January 2008. My observation is that over this time period, our Countdown writers frequently switched gears and produced more in depth articles and analyses as our readers' knowledge of IFRSs grew.

Even though Lightyear has now transitioned to IFRS, they are still aware that 2011 will be another phase of transition under IFRS, with Lightyear taking one last look at the opening IFRS balance sheet as well as gearing up for their first interim IFRS statements.

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As such, Lightyear has established an IFRS Centre of Excellence (COE), outsourced to Deloitte, for assistance in this next phase of transition. The COE will make sure Lightyear is up to date on all forthcoming changes and is aware of the practical implications.

The earlier issues of Countdown were focused on the IFRS "basics" – explaining the standard requirements of IFRS 1, the need to plan for conversion early and considerations relevant to systems, IFRS resources, training and other ancillary impacts. As IFRS transition grew closer, we updated our IFRS "news" to respond to the general increased comfort level with, and knowledge of, IFRSs. This has been done in the form of "The Real Deal" which looks at practical considerations and application issues as well as articles focused on future developments in IFRSs and the IASB project plan. In short, we have come a long way and there is much less transition focused news to report with more interest on keeping up to date with the "new GAAP" and understanding how to apply the principles on a day to day basis. With this in mind, I am pleased to say that, while we will indeed be saying a fond farewell to Countdown, we will also be providing a warm welcome for two new publications for our Countdown readers from Deloitte Canada. You can look forward to receiving the first of these publications "IFRS in Focus – Canada" soon (and thereafter approximately each month) and the first issue of our second new publications will be issued on a quarterly basis.

On that note, I will leave you to read through the rest of the final issue of Countdown and thank you for your continued interest and communications over the last few years. We do of course welcome suggestions and feedback and would welcome any thoughts or comments on the types of financial reporting news that you would like to hear from us in the future.

Good Luck and Congratulations – we are nearly there!

Don Newell
National Leader - IFRS services

IFRS in Canada – Defining Moments

2010 has been a busy year with respect to IFRSs, with numerous changes occurring on the IFRS landscape throughout the year. In addition, January 1, 2011 is the official changeover date for Canadian publicly accountable enterprises to IFRSs, bringing one of the most interesting years in the changeover period to a close. The official use and maintenance of one set of accounting books under IFRSs as compared with two is a milestone that is worthy of an accounting victory dance.

The transition to IFRS is of course, not quite over, as 2011 requires the issuance of the first set of IFRS interim financial reports at the end of the first quarter that should also be in compliance with the revised rules and amendments published by the Canadian Securities Administrators (CSA) in October 2010 to accommodate the transition to IFRS, which included a new National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (NI 52-107), setting out both the accounting principles and auditing standards to be used by all issuers in their regulatory filings. The most significant change to NI 52-107 was the requirement for domestic issuers to prepare financial statements in accordance with IFRS as issued by the IASB for fiscal years beginning on or after January 1, 2011 with only certain exceptions existing for issuers that are either foreign issuers, SEC issuers, or entities with rate regulated activities. This will then also be followed later in the year by the issuance of the first annual IFRS financial statements. In addition, by the first half of 2011, the IASB has also earmarked the completion of its key major projects based on the revised work plan – notably, leases, revenue, insurance contracts and financial instruments. So as we pause here in the "in between" that lies between transition and steady state IFRS accounting, we keep in the holiday spirit by looking both backwards and forward with the "ghosts" of IFRSs past and IFRSs future.

IFRSs - The Past

The table below is our snapshot of relevant IFRS events for Canadian entities that occurred in 2010. This includes the IASB core projects as well as the relevant Canada regulatory updates. With regards to the effective dates of the high priority IASB projects - at the "IFRS in North America 2010 Conference" held in Toronto on November 23, 2010, during the welcome address, Sir David Tweedie (Chairman of the IASB) commented on an effective date that will not be mandatory before January, 1, 2013 for projects to be completed in 2011 in order to help manage transition in Canada. Following this summary is a more detailed item by item review of the events summarized in the table.

Project	Event/Publication	Date	Countdown Newsletter
IASB - Amendments to Final Standards			
Annual improvements	2010 Improvements to IFRSs	May 6, 2010	May 2010
Derecognition	Enhanced derecognition disclosure requirements for transfer transactions of financial assets	October 7, 2010	October 2010
	IASB published amendments to IFRS 1	December 20, 2010	Current Edition
IASB - Exposure Drafts (EDs)			
Post-employment Benefits	Defined Benefit Plans	April 29, 2010	April 2010
Financial Statement Presentation	Presentation of items of Other Comprehensive Income (OCI)	May 27, 2010	June 2010
Revenue	IASB and FASB proposed a new joint standard for revenue	June 24, 2010	June 2010
Fair Value Measurement	IASB published ED - Measurement Uncertainty Analysis Disclosure for Fair Value Measurements	June 29, 2010	July 2010
Insurance contracts	IASB published ED on Insurance Contracts	July 30, 2010	August 2010
Leases	IASB published proposals on the financial reporting of leases	August 17, 2010	August 2010
Financial Instruments	IASB proposed changes to fair value option for financial liabilities	May 11, 2010	May 2010
	IASB proposed improvements to hedge accounting	December 9, 2010	Current edition

Event/Publication	Date	Countdown Newsletter
Canadian Accounting Standards Board (AcSB)		
Canada proposed a two-year delay in IFRS implementation for qualifying entities with rate-regulated activities	July 29, 2010	August 2010
Canada proposed a delay in adoption of IFRSs by investment companies	August 9, 2010	August 2010
Canadian Securities Administrators (CSA)		
CSA published IFRS-related amendments to various national instruments	October 3, 2010	October 2010
CSA delayed implementation of IFRS for investment funds	October 11, 2010	October 2010
CSA published IFRS-related update and amendments	November 10, 2010	November 2010

IASB – Amendments to Final Standards

May 6, 2010: 2010 Improvements to IFRSs

The IASB issued Improvements to IFRSs - a collection of amendments to seven IFRSs as part of the 2010 Improvements to IFRSs. The amendments are applicable for entities moving to, or reporting under, IFRSs in 2011. For more details please refer to the May 2010 Countdown edition.

October 7, 2010: Enhanced derecognition disclosure requirements for transfer transactions 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 amendments will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitizations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. Entities shall apply the amendments for annual periods beginning on or after July 1, 2011.

IASB - EDs

April 29, 2010: Defined Benefit Plans

An ED was issued proposing to remove the allowed treatment under IAS 19 of deferring and amortizing actuarial gains and losses. Other changes related to the measurement and disaggregation of the various components of the benefit expense. The amendments are planned to be finalized in the first quarter of 2011.

May 11, 2010: IASB proposes changes to fair value option for financial liabilities

The IASB published an ED proposing to amend the application of the fair value option in IAS 39 *Financial Instruments: Recognition and Measurement* with respect to financial liabilities. The IASB proposed that all gains and losses resulting from changes in 'own credit' for those financial liabilities that an entity chooses to measure at fair value should be recognized as a component of 'other comprehensive income', not in profit or loss.

May 27, 2010: Presentation of OCI

An ED was issued to improve the consistency of how items of OCI are presented. The proposal requires entities to present profit or loss and other comprehensive income in separate sections of a continuous statement. The comment period has now closed but the timing of any proposed new standard is uncertain at this time.

June 24, 2010: IASB and FASB proposed a new joint standard for revenue

Revenue is a core focus area for the Board. An ED was issued in 2010 and a new standard planned for 2011. The proposed guidance would provide a single standard designed to deal with all types of revenue contracts and identifies the transfer of control of a good or service as being required for revenue to be recognized. The standard proposes substantive changes to revenue contracts which include multiple deliverables. A new standard is expected before the end of June 2011.

June 29, 2010: IASB published ED – Measurement Uncertainty Analysis Disclosure for Fair Value

On 29 June 2010 the IASB published for public comment further enhancements to a disclosure proposal on Level 3 fair value measurements that formed part of the IASB's ED *Fair Value Measurement* published in May 2009.

July 30, 2010: IASB published ED on Insurance Contracts

An ED relating to Insurance Contracts was issued proposing a single IFRS that all insurers, in all jurisdictions, could apply to all contract types on a consistent basis. This is one of the priority projects of the IASB with a new IFRS is expected in the first half of 2011.

August 17, 2010: IASB published proposals on the financial reporting of leases

An ED was issued in August 2010 proposing significant changes to lease accounting for both lessees and lessors. Subject to limited exemptions, lessees would be required to record a "right of use" asset and corresponding liability in the statement of financial position. Two accounting models are proposed for lessors – a derecognition model and a performance obligation model. This project is also a priority focus for the Board; a new standard is planned by the end of the second half of 2011.

Canadian Accounting Standards Board (AcSB)

July 29, 2010: Canada proposed a two-year delay in IFRS implementation for qualifying entities with rate-regulated activities

The AcSB issued an ED proposing a two-year delay in IFRS implementation for qualifying entities with rate-regulated activities. The new implementation date would be January 1, 2013, with early application permitted.

August 9, 2010: Canada proposed a delay in adoption of IFRSs by investment companies

The AcSB issued an ED proposing that investment companies can continue to apply the current accounting standards for an additional year (i.e. one year deferral from IFRS changeover). Adoption of IFRSs will be mandatory for interim and annual financial statements relating to annual periods beginning on or after January 2, 2012.

Canadian Securities Administrators (CSA)

October 3, 2010: CSA published IFRS-related amendments to various national instruments

The CSA published IFRS-related amendments to a number of national instruments and companion policies with the intention of reflecting the transition to IFRSs and updating accounting terms and references. Generally, the amendments affect continuous disclosure rules, prospectus rules, certification rules, registration materials and smaller changes to various instruments. The amendments will come into force on January 1, 2011. Please refer to our October edition for more detail.

October 11, 2010: CSA delayed implementation of IFRS for investment funds

In line with the AcSB deferral for IFRS adoption by investment companies, the CSA's preference was for the proposed IASB consolidation exemption be in place before requiring investment funds to transition to IFRS. The new goal for IFRS implementation for investment funds is now 1 January 2012.

November 10, 2010: CSA published IFRS-related update and amendments

The CSA published an update to CSA Staff Notice 52-306 - *Non-GAAP Financial Measures and Additional GAAP Measures* to reflect the changeover to International Financial Reporting Standards (IFRS). Specifically, the notice has been amended to include specific guidance to issuers regarding additional GAAP measures required by IFRS. The CSA also published IFRS-related amendments to National Policy 41-201 - *Income Trusts and Other Indirect Offerings* to reflect the changes to NP 52-306.

IFRSs – The Future

In looking at the IFRS past events, this has also provided some glimpse of what the future looks like. The IASB issued a new project plan in December 2010 which included additional changes in the timing and expected completion dates for many projects. One of the specific points of interest relates to the post-June 2011 agenda that is shown as being "blank". This does not of course mean that the IASB is going to take an extended vacation but more so that they have not yet determined their post-June 2011 agenda and do not want to be bound by any previously published plans or pre-conceived ideas that may be held in the public domain. The primary focus for the IASB now is on reaching June 30, 2011 with four key projects being identified as priorities (see above). That is not to say that everything else falls by the wayside but that, at least in the interim, these are the "must-dos".

Concurrent with these identified focus areas, the IASB has recently issued an invitation to comment on the subject of effective dates. In this document, the IASB acknowledges that there are a not insignificant number of new standards that will be issued within a fairly small window. In recognition of the fact that there will be time, costs and, if not consulted potential opposition, associated with the implementation of these new standards, the IASB has solicited comments from the public on the best way to introduce the new guidance. Should it be a "Big Bang" or a "One by One" approach? If the former, when should this occur and should there be different guidelines or additional relief granted to first-time adopters of IFRSs? Given the standards that will be changing (leases, revenue, employee benefits, consolidation, financial instruments, insurance contracts, joint ventures), the IASB is not faced with an easy task. Canadian entities should however take note of the invitation to comment and be prepared to voice their views if they (quite reasonably) have concerns about the timing and approach taken to the implementation of these new standards. After having just finished our own adoption of IFRSs in Canada, entities may have diverse views about whether it would be better just to "bring on" the next phase of guidance as soon as it is issued or take time to get used to IFRSs in their steady state prior to another major upheaval. The IASB invitation to comment referred to above was issued on October 19, 2010 and the IASB communicated that they will be considering the needs of jurisdictions already using IFRSs as well as those in transition mode. The request for views is open until January 31, 2011. Please click the following links to access both the IASB summary press release, and the link to the request for views document:

- IASB press release
- IASB request for views: Effective Dates and Transition Methods (link to IASB website).

In terms of what else the future holds, there are a number of other factors that, aside from the above, really do make it very difficult to make any predictions. Specifically, there is the ongoing question of "if" and "when" the United States will adopt IFRSs – while we are getting closer and closer to convergence, there are still many differences between IFRSs and US GAAP on anything from the recycling – or not – of items through other comprehensive income to the existence – or not – of detailed industry guidance on specific areas. In addition, the June 2011 retirement of Sir David Tweedie, will of course have an impact given he has been the driver of so many of the efforts associated with global convergence. In view of his pending departure, it is therefore perhaps fitting that the post-June 2011 agenda is "blank". In the words of Mark Darcy (played by Colin Firth) in the closing scene of the movie "Bridget Jones Diary"……"Time for a fresh Start, perhaps?".

The Real Deal

It's January 2011 and after another year has past of working through IFRS issues with Hugh Guardian – their Deloitte advisor, Lightyear breathes a sigh of relief as a challenging year of IFRS activities has come to an end and the team is well prepared for transition. Although the date of transition has come and gone, Lightyear is aware that they still need to maintain their IFRS efforts in 2011. There are two key questions that the Lightyear team decide it would be worthwhile considering with Deloitte as they come towards the end of this significant project:

- **Checking in:** A review of the overall project both as an assessment of completeness and to identify any key observations relating to the project that merit consideration on a go forward basis.
- **Last call:** In conjunction with the above, assess any final considerations to be made, as Lightyear meets the crossroads between its Canadian GAAP and IFRS financial statements.
- **Taking off:** Life in the finance function for much of the last two years has revolved around IFRS transition. The Lightyear finance function are starting to think about working under an IFRS framework going forward and are looking for any insights from Deloitte on this transition from IFRS transition.

What's the Deal?

Checking In

Hugh and Lightyear decide to review the project plan progress and some of the key decisions to date. This gives them the ability to step back and consider whether any of those preliminary decisions have changed and identify the next steps and key priorities for 2011.

Topic	Key Changes/Decisions
Dual reporting Process	• Lightyear determined the scope of their dual reporting process and developed a prioritized list of internal and external reports. • Establishment of a dual reporting "production process". • Development of a reporting calendar by quarter for 2010 reporting Canadian GAAP and 2010 Shadow reporting IFRSs.
MD&A Requirements	• Lightyear considered key disclosure items in the 2009 MD&A for new accounting policies, IFRS 1 elections, quantified information, and impact of IFRS on other areas. • The OSC guidance issued in November 2010 on first interim financial statements was considered by Lightyear – see the following article which was prepared for Lightyear by Hugh Guardian as a summary of the top ten items for Lightyear to consider. • Pre-IFRS transition MD&A will consider quantifying the anticipated changes in accounting policies. • Post-IFRS transition MD&A disclosure will distinguish between changes related to accounting policy choices and a change in Lightyear's business.
Audit of Opening Balance Sheet	• Lightyear considered the IFRS 1 requirement that an entity shall prepare an IFRS opening balance sheet at the date of transition to IFRS. • A draft opening balance sheet has been in place since April 2010, in preparation for the first interim IFRS statements and the first IFRS annual statements.
IFRS 1	• Lightyear has revisited the IFRS 1 exemptions elected by Lightyear during 2009. • In addition, Lightyear has also read and understood the IFRS 1 amendments issued during 2010 and considered these. **2009: IFRS 1 exemptions elected** – IFRS 2, Share-based Payment – IFRS 3, Business Combinations – IAS 16, Property, Plant & Equipment and will be applied to certain items of land, buildings and machinery. – IAS 19, Employee Benefits – IAS 21, The Effects of Changes in Foreign Exchange Rates – IAS 32/39 Financial Instrument: IFRS 1 exemptions either not applicable or not elected For more details, click here to access the December 2009 Countdown newsletter. **2010: IFRS 1 amendments** – IFRS 7: early application of the IFRS 7 exemption related to the recent IFRS 7 disclosure amendments – this will provide some relief for Lightyear in terms of less disclosures. – Application of the oil and gas deemed cost exemption (yes, Lightyear has an oil refinery in Calgary!), allowing the Canadian GAAP numbers to be brought forward on transition. Lightyear understands that they need to refresh the impairment analysis at date of transition.
IAS 10 - *Events After the Reporting Period*	• Lightyear looked to the mandatory exception in IFRS 1 and noted that if any subsequent events were identified post transition about estimates under Canadian GAAP, this is a non adjusting event and should go to profit or loss.
IAS 18, *Revenue Recognition*	• Potential differences were considered between IAS 18 and Canadian GAAP for retrospective application of IAS 18 at date of transition.

Topic	Key Changes/Decisions
IAS 24, *Related Party Disclosures*	• A determination was made of Lightyear's related parties, including consideration of who is key management personnel and how the information will be captured for disclosure. • Lightyear adapted the reporting process for the anticipated additional disclosures required under IAS 24.
IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*	• Lightyear considered the key terms under IAS 37 and identified constructive obligations which may not have been recognized under Canadian GAAP. • Onerous contracts were also recognized and the reporting process adapted for an anticipated increase in disclosure requirements.
IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*	• The scope, approach, identification of discontinued operations and measurement for impairment losses under IFRS were understood. • Situations were identified that fell under the above categories – specifically, the commitment to sell production facilities and the commitment to sell the regulated operations.
IFRS 8, *Operating segments*	• Lightyear's first step was to determine the chief operating decision maker (CODM) with the final decision based on who held responsibility for allocating resources. • With the continued growth of the business over the past year, this is an area to be revisited by Lightyear this month to determine any new operating segments that exceed the relevant 10% thresholds and should thus be disclosed in the opening IFRS balance sheet and first interim IFRS statements.

Last Call

Firstly, while the 2010 annual financial statements will be under Canadian GAAP, Lightyear still needs to complete its last annual MD&A while reporting under Canadian GAAP and consider the extent of any quantifications and disclosures that may be required.

In addition, Lightyear needs to make any final adjustments to the IFRS January 1, 2010 opening statement of financial position and ensure they are well placed to issue the first IFRS financial statements.

For both of these items, Lightyear has consulted with Hugh Guardian who has subsequently prepared a list of top ten items, based on the November 2010 OSC guide, for Lightyear to consider in preparation of their first IFRS interim statements. Please see the following article which lists Hugh Guardian's top ten points for Lightyear.

A final point is that as Lightyear has now changed gears from transition to a steady state of reporting under IFRS, Lightyear has made significant process on the transition journey and will now be more interested in keeping up to date with "new GAAP". Lightyear has spoken to Hugh Guardian about this and has decided to outsource an IFRS Centre of Excellence to Deloitte in order to keep up to date with the key IFRS projects that are to be completed by the first half of 2011, as well as all other IFRS accounting updates!

So, as we bid adieu to Countdown, please stay tuned for a future hello to Lightyear's IFRS COE and their upcoming updates on IFRS, including the practical application of new IFRSs. A preview of forthcoming attractions from the COE is as follows:

- January and from then on, approximately monthly - IFRS in Focus – Canada; and
- A quarterly newsletter with updates on the ever changing landscape of IFRS, plus practical considerations for Lightyear to ponder!

Top 10 Tips for Public Companies Filing their first interim financial statements

With the transition from Canadian GAAP to IFRS for Publicly Accountable Entities having taken place on January 1, 2011, we thought a reminder of the top ten items for our readers to remember for the year ahead with regards to their first interim financial statements would be helpful.

Based on a November 2010 guide issued by the Ontario Securities Commission (OSC), the following is a summary of the highlights of the top ten items described by the OSC. For more detail we recommend that you click on the above link to access the guide.

1. **Changes to acceptable accounting principles**
   - Clear articulation of the accounting principles used to prepare information that is publicly released to facilitate clarity to investors of statements prepared under Canadian GAAP versus IFRS.
2. **Auditor involvement with regulatory filing**
   - Although the first interim financial statements are not required to be reviewed or audited under securities law, if an external auditor is engaged to perform a review, all financial statements and notes are subject to review and, if not, the interim report should be accompanied by a notice indicating as such.
   - The first interim report will contain the expanded disclosure required by IFRS 1 and securities law.
   - Ensure that the financial information released in the first three quarters of 2011 (including 2010 comparative information) is accurate and will not require restatement after the annual audit.
3. **Q1 filing extension for first time IFRS filers**
   - Extended by 30 days for the first quarter only.
4. **Consequences of missing financial statement filing deadlines**
   - Represents a significant breach of Canadian securities law.
5. **IFRS financial statement presentation**
   - Publicly accountable enterprises should consider the impact on continuous disclosure rules that have changed to align with IFRS. These revisions include, amongst others, the requirement to present the opening IFRS statement of financial position as at date of transition to IFRS.
6. **Key financial statement notes in the first IFRS interim financial report**
   - The first interim IFRS financial report should contain sufficient information to enable investors to understand how the transition to IFRS affected previously reported results
   - The OSC has provided suggested note disclosures, including significant policies; summary of IFRS 1 exemptions and elections; level of detail in financial statements; explanatory notes; and comparative information. Please refer to the guide for more detail on these.
   - Issuers must disclose an unreserved statement of compliance with IAS 34 – Interim Financial Reporting in their first IFRS interim financial report.

7. Required reconciliations under IFRS 1[1]

– The required reconciliations are:

Reconciliation from CGAAP to IFRS for:	
Equity: • January 1, 2010; • December 31, 2010; and • March 31, 2010	Total Comprehensive Income: • The year ended December 31, 2010; and • The three months ended March 31, 2010

– Material adjustments in the statement of cash flows between Canadian GAAP and IFRS should be explained qualitatively or quantitatively.

– An example of an equity reconciliation is included in the OSC publication.

8. Management's discussion and analysis (MD&A)

Pre-IFRS transition MD&A disclosure

- Consider quantifying in the annual MD&A the anticipated changes in accounting policies, or a statement that the issuer cannot reliably estimate the effect.

Post-IFRS transition MD&A disclosure

- Discussion of whether changes in reported results are caused by the adoption of different accounting policies or from changes in underlying business activities.

9. CEO/CFO certification

- The standard certification form has been revised to include IFRS terminology, so issuers should ensure they are filing the most recent form with their first IFRS filings

10. Prospectus and other offering issues

- The guidance reflected above is applicable to financial statements and MD&A disclosed in a prospectus.
- These include changes to acceptable accounting principles, auditor involvement with offer documents, and IFRS financial statement presentation in offer documents.

1 Dates applicable for a calendar year end issuer.

Deloitte IFRS publications and events

IFRS Publications

December 22, 2010
Newsletter on closing out 2010

Deloitte's IFRS Global Office has published an *IFRS in Focus* Newsletter – Closing out 2010. This special edition of IFRS in Focus provides an overview of new and revised International Financial Reporting Standards issued by the IASB and Interpretations issued by the IFRS Interpretations Committee that are effective for December 2010 calendar year-ends and subsequent accounting periods. This newsletter also provides a brief snapshot of each new and revised standard and interpretation as well as the current status of IASB projects.

December 16, 2010
iGAAP 2011 - A Guide to IFRS Reporting now available

The fourth edition of this guide sets out comprehensive guidance for entities reporting under IFRSs. It has been updated not only to deal with new and amended requirements but also to reflect increased practical experience of dealing with IFRS issues and to include many more illustrative examples.

Orders for this guide may be placed via www.lexisnexis.co.uk/deloitte.

(Stay tuned for our next version of iGAAP: IFRS in Canada to be released soon!)

December 6, 2010
IFRS Illustrative Financial Statements for 2010 with early adoption of IFRS 9

We have posted Deloitte's IFRS Illustrative Financial Statements for 2010 with early adoption of IFRS 9 (Word version).

These model financial statements for the year ended December 31, 2010 illustrate the application of the presentation and disclosure requirements of International Financial Reporting Standards (IFRSs) by an entity that is not a first-time adopter of IFRSs. They also illustrate the impact of the application of a number of new and revised Standards and Interpretations, including IFRS 9 *Financial Instruments* (as issued in November 2009 and revised in October 2010).

December 2, 2010
November edition of IFRS on Point issued

Deloitte's IFRS Global Office has published the November 2010 edition of IFRS on Point, which highlights the month's critical financial reporting developments. IFRS on Point is published monthly and provides a great way to catch up on the main IFRS-related news stories of the month.

Click for:

- IFRS on Point – November 2010
- Past editions of IFRS on Point

November 28, 2010
IFRS compliance questionnaire for 2010

Deloitte's IFRS Global Office has published our IFRS Compliance Questionnaire for 2010. This 329-page questionnaire summarizes the recognition and measurement requirements in IFRSs issued on or before September 30, 2010. It may be used to assist in considering compliance with those pronouncements. Please click here to access the questionnaire.

November 24, 2010
IFRS presentation and disclosure checklist for 2010

We have posted the PDF version of Deloitte's IFRS Presentation and Disclosure Checklist for 2010.

Webcasts

Archived:

Deloitte Update: Highlights from the AICPA National Conference on Current SEC & PCAOB Developments

Learn about highlights from the American Institute of Certified Public Accountants (AICPA) National Conference on current United States Securities and Exchange Commission (SEC) & Public Company Accounting Oversight Board (United States) (PCAOB) developments. Please click above link for more detail and to see the replay.

January 13, 2011:

Directors' Series – Beyond compliance: Preparing for year-end audit committee meetings

11:00 am – 1:00 pm EST

As the transformation of the global economic and capital markets continues, the environment facing organizations and their boards is one of rapid change and considerable uncertainty. Some regulatory changes such as IFRS are upon us, others, such as changing whistleblower legislation, are on the horizon. The upcoming Directors' Series session will examine the implications of these and other emerging issues for audit committees. Please click the above link for registration details.

ELearning

May 2010

Out of 100 What's your degree of financial literacy?

Although this elearning was issued in May 2010, we thought it would be a good refresher for Management and audit committees to use in building on their financial literacy under current Canadian GAAP and IFRS in light of the upcoming annual Canadian GAAP statements, followed by an entity's first IFRS interim statements. Deloitte's assessment questionnaire is focused on the general elements of financial literacy including an understanding of the basic principles of financial accounting and reporting practices under current Canadian GAAP and the important elements of IFRS. Please click on the above link to access the elearning.

Deloitte Learning Academy

Deloitte can help!

To stay one step ahead amid ever-evolving Canadian financial reporting standards, accounting professionals need hands-on, practical learning from experienced and talented practitioners. Look no further than the Deloitte Learning Academy. Through best-practice discussions and real-world case studies, Deloitte will provide the tools necessary to help your business thrive in the dynamic Canadian GAAP environment. Tell us what, when and where you want to learn, and we'll develop and deliver a learning program that suits the needs of your people and your business. Choose your curriculum. The Deloitte Learning Academy offers a range of courses targeted to accounting professionals which can be selected à la carte, bundled into a specific learning program, or delivered as a full start-to-finish suite. Our current offerings focus on International Financial Reporting Standards (IFRS); we're also developing additional learning that covers Accounting Standards for Private Enterprises (ASPE) and Public Sector Accounting Standards (PSAS). All courses are delivered on-site, with the curriculum customized to meet your organization's needs. To learn more about the Deloitte Learning Academy, contact your Deloitte partner or contact learningacademy@deloitte.ca.

Podcasts

December 9, 2010: Deloitte IFRS Podcast on financial instruments: hedge accounting exposure draft

We've released a podcast where Andrew Spooner, lead IFRS financial instruments partner, and Kush Patel, senior manager and recent IASB Practice Fellow, discuss the IASB's exposure draft on hedge accounting. They discuss the key changes that are proposed and provide an insight into the likely effect they will have in practice. The discussion is chaired by Robert Bruce. The podcast is available for download here (35:18 mins 33 mb) or via iTunes.

International Round-up

Updates in Canadian and International news

December 20, 2010: IASB amends IFRS 1 and IAS 12

Amendments to IFRS 1

The IASB issued two narrow amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (IFRSs). The amendments confirm proposals that were published as separate exposure drafts for public comment in August and September.

The first amendment replaces references to a fixed transition date of ‘1 January 2004’ with ‘the date of transition to IFRSs’, thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

The amendments to IFRS 1 are set out in *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* and are effective from 1 July 2011. Earlier application is permitted.

Amendments to IAS 12

The IASB issued amendments to IAS 12 Income Taxes. The amendments, set out in *Deferred Tax: Recovery of Underlying Assets*, result from proposals published for public comment in an exposure draft in September. IAS 12 requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40 *Investment Property*. The amendment provides a practical solution to the problem by introducing a presumption that recovery of the carrying amount will, normally be , be through sale.

As a result of the amendments, SIC-21 *Income Taxes—Recovery of Revalued Non-Depreciable Assets* would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn. The amendments are effective for annual periods beginning on or after 1 January 2012, with earlier application permitted.

December 9, 2010: IASB publishes exposure draft on hedge accounting

The International Accounting Standards Board (IASB) has published for public comment an exposure draft on the accounting for hedging activities. The exposure draft proposes requirements designed to enable companies to better reflect their risk management activities in their financial statements, and, in turn, help investors to understand the effect of those activities on future cash flows.

The proposed model is principle-based, and is designed to more closely align hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. For more information, please click here.

November 30, 2010: Updated convergence report and IASB work plan

The International Accounting Standards Board (IASB) and Financial Accounting Standards Board (FASB) have published an updated Progress report on their convergence efforts.

The report provides an update on progress under the Memorandum of Understanding between the IASB and FASB on the convergence of IFRSs and US generally accepted accounting principles (US GAAP) and confirms many of the decisions made at recent meetings of the boards.

The report confirms a target completion date of June 2011 or earlier for the following priority projects:

- joint projects on financial instruments, revenue recognition, leases, the presentation of other comprehensive income, and fair value measurement
- IASB projects on consolidation and insurance contracts.

In order to meet the June 2011 deadline, consideration of a number of other projects has been deferred until after June 2011, or timetables extended. This includes four joint projects, the investment company aspects of the consolidation project, and a number of independent projects of both boards. For more information, please click here.

Following on from the updated progress report issued in November 2010, the IASB has subsequently amended their work plan as of December 20, 2010 to take into account the target completion date of June 2011 or earlier for the priority projects mentioned above. The amended work plan can be accessed via the IASB website by clicking here.

November 29, 2010: Canadian regulator provides first-time adoption tips

The Ontario Securities Commission (OSC) of Canada has published Top 10 Tips for Public Companies Filing Their First IFRS Interim Financial Report. With Canada transitioning to IFRS from 2011, the guide is designed as a series of pointers for Canadian public companies to consider in preparing for the transition. Many of the ideas are generic and may be useful to first-time adopters in other jurisdictions as well. For more information, please click here.

November 2010: IASB issues Request for Views seeking input on transition and effective dates for certain IASB projects

The IASB issued a Request for Views (RV) that seeks input on the implementation of the new IFRSs expected to be issued in 2011 and the effective dates of those IFRSs. The IASB's full agenda and the timing of the issue of final IFRSs have received a lot of attention recently. Concerns have been voiced by preparers about the vast resources that would be needed to implement such a large number of new standards in potentially a short period of time. In response, the IASB recently modified their work plan to prioritize certain projects and extend the timeline for others. The IASB is now focusing on implementation requirements and effective dates of their future standards through the RV. For more information, please click here.

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