

IFRS on point.

IFRS Accounting Developments and Information: December 2010

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International headlines

IASB publishes an exposure draft on hedge accounting

The International Accounting Standards Board (IASB) has published exposure draft ED 2010/13 *Hedge Accounting*. The proposed model is designed to more closely align hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. The comment period is open until 9 March 2011. Click [here](#) to download the exposure draft.

IASB issues amendments to IAS 12

The IASB has issued amendments to IAS 12: *Deferred Tax: Recovery of Underlying Assets*, introducing a rebuttable presumption that recovery of the carrying amount of investment property carried at fair value under IAS 40 will be through sale unless the investment property is depreciable and is held within a business model whose objective is to consume all of the economic benefits over time, rather than through sale. As a result of the amendments, the guidance in SIC-21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* has been incorporated into IAS 12 and will no longer apply to investment properties carried at fair value. The effective date of the amendments is for annual periods beginning on or after 1 January 2012. Earlier application is permitted. Click [here](#) for the IASB press release.

IASB issues two amendments to IFRS 1

The IASB has issued two narrow amendments to IFRS 1: *Removal of Fixed Dates for First-time Adopters and Severe Hyperinflation*. The first amendment replaces references to a fixed 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 do so because its functional currency was subject to severe hyperinflation. Entities are required to apply the amendments for annual periods beginning on or after 1 July 2011. Earlier application is permitted. Click [here](#) for the IASB press release.

IASB issues IFRS Practice Statement on Management Commentary

The IASB has issued an IFRS Practice Statement *Management Commentary* – a broad, non-binding framework for the presentation of narrative reporting to accompany financial statements prepared in accordance with IFRSs. Entities applying IFRSs are not required to comply with the Practice Statement unless specifically required by their jurisdiction. Click [here](#) to download the Practice Statement.

For more useful information please see the following websites:

www.iasplus.com

www.deloitte.com

IASB posts editorial corrections to IFRSs

The IASB has posted to its website a new batch of editorial corrections to IFRSs. This batch includes editorial corrections and changes to Bound Volume (Red Book) 2010, Bound Volume (Blue Book) 2011, IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets (issued October 2010), IFRS 9 Financial Instruments (issued October 2010) and The Conceptual Framework for Financial Reporting, (issued September 2010). Click [here](#) for more information.

Death of Tommaso Padoa-Schioppa, Chair of the Trustees of the IFRS Foundation

Tommaso Padoa-Schioppa, Chair of the Trustees of the IFRS Foundation, died suddenly on 18 December 2010. He was appointed Chair of the Trustees of the IFRS Foundation in June 2010 and was previously President of Notre Europe and Chairman of Promontory Europe, Italian Minister of Economy and Finance (2006-08) and Chairman of the Ministerial Committee of the International Monetary Fund (2007-08). Click [here](#) for the Statement from the IFRS Foundation.

Leslie Seidman appointed Chairman of the FASB

The Board of Trustees of the Financial Accounting Foundation (FAF) has named Leslie F. Seidman chairman of the US Financial Accounting Standards Board (FASB) effective immediately. Ms. Seidman has been acting chairman of the FASB since Robert H. Herz retired on 30 September 2010. Click [here](#) for the FAF press release.

Monitoring Board Working Group on Governance Review meets in Tokyo

The Monitoring Board Working Group on Governance Review met on 6 December 2010 in Tokyo to continue its review of the governance framework around the Monitoring Board and the IFRS Foundation. The fundamental question for the governance review is whether the current governance arrangements promote the IASB's primary mission of developing high quality, global accounting standards, while providing for both the accountability and independence of the IASB. The Monitoring Board intends to issue a consultation document in early February 2011 for public comment, with a comment period of two months. Click [here](#) for the IFRS Foundation Monitoring Board press release. Separately, the IFRS Foundation Trustees on 5 November 2010 issued a **consultation document on the Trustees' ongoing Strategy Review**. The consultation period has been extended to 24 February 2011.

IFRS at critical crossroad

The IASB has posted to its website a section of the keynote speech entitled 'Regulatory Reform and IFRS at a Critical Crossroad' at the FEI conference, given by IFRS Foundation Trustee Harvey Goldschmid. Click [here](#) to access the speech.

2011 IFRS 'Blue Book' available

The IFRS Foundation published the 2011 *IFRS Consolidated without early application*. This volume (referred to as the 'Blue Book') contains all official pronouncements that are mandatory on 1 January 2011. It does not include IFRSs with an effective date after 1 January 2011 and can be purchased from the IASB's [webstore](#).

IASB Investors' Perspective and webcasts

A new Investors' Perspective written by IASB member Paul Pacter on financial reporting by smaller entities and the IFRS for SMEs *Capital providers need good small business reporting, too* has been published on the IASB's website. Click [here](#) to access the latest edition.

New and reappointed members of the IAASB confirmed by the PIOB

The Public Interest Oversight Board (PIOB) has confirmed a number of new and reappointed members of the International Auditing and Assurance Standards Board (IAASB):

- **New appointments:** Jean Blascos (France), Jianshen Chen (China), Merran Kelsall (Australia)
- **Renewed appointments:** John Archambault (United States), Jon Grant (United Kingdom), Caithlin McCabe (Australia).

In addition, Diana Hillier was reappointed as deputy chair of the IAASB. The appointments were recommended by the IFAC Board and are effective January 1, 2011. Click [here](#) for the press release.

IPSASB releases an exposure draft and two consultation papers

The International Public Sector Accounting Standards Board (IPSASB) has released for comment an exposure draft and two Consultation Papers related to its project to develop a Conceptual Framework for the general purpose financial reporting of public sector entities. Comments on the documents are requested by 15 June 2011. Click [here](#) for the IPSASB press release.

United States SEC may consider hybrid model for IFRS adoption

Paul A. Beswick, Deputy Chief Accountant, United States Securities Exchange Commission, discussed a possible approach for adoption of IFRSs in the United States. Providing his personal views while speaking at the AICPA National Conference in Washington, D.C., Mr Beswick coined the term 'condorsement' to refer to a possible hybrid model for adoption of IFRSs in the United States. Click [here](#) for an extract from the speech.

EFRAG establishes Advisory Panel on the Role of the Business Model in Financial Reporting

A project on the role of the business model in financial reporting has commenced as part of the pro-active work of the European Financial Reporting Advisory Group (EFRAG). The aim of the project is to provide European input into the IASB's future consideration, development and use of the business model concept in financial reporting. The project is being led by EFRAG and supported by the standard setters from the UK (ASB) and France (ANC). Click [here](#) for the EFRAG press release.

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Deloitte IFRS communications and publications

Issuance Date	Description
22 December	IFRS in Focus – Closing Out 2010
21 December	IFRS in Focus – Hedge Accounting
20 December	IFRS in Focus – Management Commentary
16 December	iGAAP 2011 – A guide to IFRS reporting
9 December	IFRS Podcast on Financial Instruments: Hedge Accounting
6 December	IFRS Illustrative Financial Statements for 2010 (with early adoption of IFRS 9)

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IASB meetings

Description
IASB meetings

Click [here](#) for the notes of the December 2010 meetings

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Comment letters to the IASB

	Description	Comment date
Comment letters issued	Insurance Contracts Leases	2 December 15 December
Comment letters pending	Due process oversight: Review of IFRS Interpretations Committee Request for views: Effective Dates and Transition Future strategy of the IFRS Foundation Hedge Accounting	31 January 31 January 24 February 9 March

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