

# U.S. Reporting Newsletter for Non-U.S. Based Companies

## Recent Developments



*This newsletter reports recent developments in IFRS, U.S. GAAP*

*Accounting and at the SEC that may be of interest to non-U.S. companies.*

### In this Issue:

#### IFRS Matters

- IASB Issues Annual Improvements Standard
- IASB Issues Exposure Draft on Fair Value Measurement
- IASB Proposes Amendments to Clarify Accounting for Pension Plan Prepayments
- Tips on Applying IFRS
- IFRS Tools

#### U.S. GAAP Matters

- SEC Issues Technical Amendments to Confirm Various Rules, Forms, and Schedules to Statements 141(R) and 160
- Deloitte Roadmap on SOP 97-2
- FASB Codification
- FASB Proposes Guidance on Fair Value Measurement of Liabilities
- FASB Issues Statement on Not-for-Profit Mergers and Acquisitions
- FASB Proposes Guidance on Applying Interpretation 48 to Pass-Through and Tax-Exempt Not-for-Profit Entities
- FASB Issues Statement on Subsequent Events
- FASB Issues Proposal on Estimating the Fair Value of Investments in Investment Companies
- SEC Releases Staff Accounting Bulletin 112
- FASB Issues New Standard on Transfers of Financial Assets; Amends Guidance Related to Variable Interest Entities

### Other Matters

- AICPA Issues Guidance on Applying Agreed-Upon Procedures to XBRL-Tagged Data
- AICPA Issues Exposure Draft on Compilation and Review Standards
- XBRL 2009 Taxonomies Released
- PCAOB's Staff Practice Alert No. 4 Highlights Auditor Considerations Regarding Fair Value Measurements, Disclosures, and Other-Than-Temporary Impairments
- SEC Issues New Compliance and Disclosure Interpretations
- PCAOB Issues Concept Release on Possible Revisions to Audit Confirmations Standard
- AICPA Proposes Clarifying and Converging SAS
- IASC Foundation Issues IFRS Taxonomy 2009 and Publishes XBRL Handbook for Public Comment
- SEC Staff Issues Compliance Guide for Small Entities
- Other SEC Rules Issued or Proposed Recently
- International Practices Task Force Highlights
- AICPA Issues Practice Aid on Fair Value Measurement Disclosures for Master Trusts
- SEC Staff's Views on Filing Registration Statements After the Adoption of Statement 160, FSP APB 14-1, and FSP EITF 03-6-1
- SEC Staff Issues Interpretations on XBRL Rules, Executive Compensation Disclosures, and Form 8-K
- SEC Proposes Rule Amendments to Increase Safeguards on Investor Funds
- CAQ Releases Guide on Public-Company Auditing
- SEC Creates Investor Advisory Committee
- SEC Considering Executive Compensation Proposals

## IFRS Matters

### IASB Issues Annual Improvements Standard

On April 16, 2009, the IASB issued an annual improvements standard, which amends twelve IFRSs. The annual improvements project is the IASB's opportunity to "make necessary, but non-urgent amendments to IFRSs that will not be included as part of another major project."

The amendments are effective for annual periods beginning on or after January 1, 2010, unless otherwise specified. Early adoption is permitted.

For a list of the affected standards, see the [press release](#) on the IASB's web site. For more information, see the [article](#) on the annual improvements standard on Deloitte's IAS Plus web site.

### IASB Issues Exposure Draft on Fair Value Measurement

On May 28, 2009, the IASB issued an Exposure Draft that proposes guidance on how an entity should measure fair value under existing standards. Although the Exposure Draft would not expand the use of fair value measurements, it would require additional disclosures about an entity's determination of fair value. If adopted, the proposal would replace fair value measurement guidance from individual IFRSs "with a single, unified definition of fair value, as well as further authoritative guidance on the application of fair value measurement in inactive markets." The Exposure Draft's proposed definition of fair value is identical to that in Statement 157 under U.S. GAAP. Comments on the Exposure Draft are due by September 28, 2009.

[Click here](#) to see the Exposure Draft on the IASB's web site.

### IASB Proposes Amendments to Clarify Accounting for Pension Plan Prepayments

On May 28, 2009, the IASB issued an Exposure Draft (comments deadline July 27, 2009) that would amend IFRIC Interpretation 14. Under the Interpretation, entities were sometimes prevented from recognizing a prepayment for minimum funding contributions as an asset. The proposal aims to "remedy this unintended consequence."

[Click here](#) to see the press release and Exposure Draft on the IASB's web site.

### Tips on Applying IFRS

This section contains some tips and guidance on matters to consider when preparing financial statements in accordance with IFRS. It is not intended to be an exhaustive list of all the requirements relevant in an area of accounting. Rather, we identify and clarify some of the key features of the IFRS standards to provide you with a summary of the key requirements and where applicable, provide some tips on best practices when adopting or applying the standards.

In this edition of the newsletter, we will focus on the application of IFRS 8 Operating Segments ("IFRS 8"). IFRS 8, which replaces IAS 14 Segment Reporting, requires an entity to report financial and descriptive information about its reportable segments. IFRS 8 was issued in November 2006 and is effective for annual financial statements for periods beginning on or after 1 January 2009. With the effectiveness of IFRS 8, segment reporting under IFRS and U.S. Generally Accepted Accounting Principles is substantially converged. The tips below highlight some recommended considerations when adopting IFRS 8.

## Tip #1: IDENTIFYING REPORTABLE SEGMENTS

Upon adoption of IFRS 8, the identification of an entity's segments may or may not change. IAS 14 required an entity to identify two sets of segments, a primary and secondary (usually business and geographical), using a risks and rewards approach, with the entity's internal reporting to key management serving only as the starting point for the identification of such segments. Under IFRS 8, an entity should identify its primary segments on the basis of the reports provided to the person whom IFRS 8 regards as the chief operating decision maker. If this was the entity basis under IAS 14, then its previous segments would be retained as the 'operating segments' for the purposes of IFRS 8.

**IAS 36 Implications for changes in reportable segments** – In identifying the units to which goodwill is allocated for the purpose of impairment testing, IAS 36 limits the size of such units or groups of units by reference to the entity's reported segments. As a result of IFRS 8 replacing IAS 14, that maximum limit is now determined by reference to the entity's operating segments as determined in accordance with IFRS 8 – which may differ from the limit previously arrived at in the context of operating segments in accordance with IAS 14.

## Tip #2: IDENTIFYING THE SEGMENT RESULT

The new Standard requires the amount reported for each segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to that segment and assessing its performance. In contrast to IAS 14, IFRS 8 does not define specific segment measures or segment result, nor does it require segment information to be prepared in conformity with the accounting policies adopted for the entity's financial statements. As a consequence, entities will have more discretion in determining what is included in segment profit or loss under IFRS 8, limited only by their internal reporting practices.

## Tip #3: INTERIM FINANCIAL REPORTING

IFRS 8 significantly expands the requirements for segment information at interim reporting dates. For entities required to report on an interim basis, the adoption of IFRS 8 applies in the first interim period for the first annual period beginning on or after 1 January 2009.

The segment disclosure requirements set out in IAS 34 are based on the premise that the full segment disclosures in the most recent annual report are available and that insignificant updates to that information are not generally required in interim periods. This premise will not be appropriate in the first year of adoption of IFRS 8, unless the segments under IFRS 8 are not materially different to those previously presented under IAS 14. Therefore, in the first interim financial report affected by IFRS 8, it would seem appropriate to disclose a comprehensive description of the basis of segmentation of information, the basis of measurement of segment profit or loss, and a measure of total assets for each reportable segment. Any segment information presented should be sufficient to ensure that the interim financial report includes all information that is relevant to understanding an entity's financial position and performance during that interim period.

## IFRS Tools

### IAS Plus Website

IAS Plus is a resource that discusses current and potential future developments in the IFRS environment. Deloitte is pleased to offer e-learning materials for IFRS free of charge on IAS Plus.

## IAS Plus Update Newsletters

The IAS Plus Update newsletters are published at the time of release of new and revised Standards and Interpretations, Exposure Drafts and discussion documents and include summaries of the documents and consideration of the principal amendments/proposals. Special edition newsletters are also issued from time to time, summarizing key IASB and IFRIC proposals and pronouncements. The IAS Plus Update newsletters issued recently include discussions on the following topics:

- IASB seeks views on the role of credit risk in liability measurement
- IASB proposes amendments to IFRIC 14
- Exposure Draft Proposes Expanded Guidance on Fair Value Measurement
- Exposure Draft on Income Taxes
- Improvements to IFRSs 2009
- Exposure Draft on Derecognition
- Discussion Paper on Leases
- G20: Implications for IFRSs
- IFRS 7 Amended to Improve Disclosures about Financial Instruments
- Clarification Regarding Assessment of Embedded Derivatives

[Click here](#) to access the latest special edition and updated newsletters on the IAS Plus web site.

## IFRS Resource Library

As IFRS continue to gain acceptance around the world, more U.S. companies are inquiring about what IFRS means for them. IFRS Resource Library includes a collection of Deloitte IFRS materials and resources, including industry white papers and publications mentioned in this newsletter that further explore the many aspects of this evolving issue. Deloitte is committed to providing the latest information and support on IFRS for companies, schools and the finance profession.

[Click here](#) to access the publications available in the IFRS Resource Library.

## IFRS Insights

Developed by the IFRS Solutions Center, IFRS Insights responds to the growing need among U.S. companies for current information on IFRS developments and the increasing demand for insights on IFRS implementation. Each issue of the newsletter will draw on news and perspectives from our network of experienced IFRS professionals to cover relevant topics for CFOs and senior financial executives. Recent issues include the following topics:

- A feature on convergence — what it is and isn't
- An article about how IFRS can be a catalyst for change in the tax function
- An overview of International Accounting Standard (IAS) 12, Accounting for Income Taxes
- An update on IFRS developments around the world
- A feature on leading a cost-effective IFRS transition
- An article about the role of IFRS tools and solutions in an IFRS assessment
- An overview of selecting exemptions on first-time adoption of IFRS – defined benefit plans
- A brief summary of the comment letters submitted in response to the SEC's proposed IFRS roadmap

[Click here](#) to access the latest editions of the newsletter.

## U.S. GAAP Matters

### SEC Issues Technical Amendments to Conform Various Rules, Forms, and Schedules to Statements 141(R) and 160

On April 15, 2009 the SEC issued technical amendments to conform Regulation S-X and Regulation S-K, and certain rules, forms, and schedules under the Securities Act and Exchange Act and the Codification of Financial Reporting Policies (CFRPs), to Statements 141(R) and 160. Because the SEC requires entities to comply with U.S. GAAP, the SEC's policy is to revise terminology and reporting and disclosure requirements in its rules and regulations when such revisions are needed to generally maintain consistency with U.S. GAAP. The more notable technical amendments include:

- Replacing references to "minority interests" with "noncontrolling interests."
- Replacing requirements to present minority interests as a separate line item in the balance sheet and income statement with new requirements for noncontrolling interests (see next two bullets).
- Adding requirements to present noncontrolling interests as a separate line item in equity on the balance sheet and to disclose in a note "amounts represented by preferred stock and the applicable dividend requirements if the preferred stock is material in relation to the consolidated equity."
- Adding requirements to present income attributable to noncontrolling interests and controlling interests as separate line items on the income statement.
- Removing guidance related to "pooling of interests" accounting and revising "references to specify which rules apply to combinations of entities under common control."
- Removing the term "purchase method" because a business combination can occur without an actual purchase transaction.
- Requiring "a separate schedule in the notes to the financial statements that shows the effects of any changes in the registrant's ownership interest in a subsidiary to the equity attributable to the registrant."

The technical amendments became effective on April 30, 2009. For more information see the [press release](#) on the SEC's web site.

### Deloitte Releases Updated Roadmap on Applying SOP 97-2

The second edition of Software Revenue Recognition — A Roadmap to Applying AICPA Statement of Position 97-2, which consists of interpretive guidance and real-world examples of how to implement the guidance in SOP 97-2, updates the original September 2007 publication in Deloitte's Roadmap series. The new edition includes (1) an overview with examples of the most important provisions and (2) additional Q&A's on issues that have arisen since the original Roadmap was issued.

[Click here](#) to access the copy of Roadmap on Deloitte's web site.

### FASB Codification

On June 29, 2009 the FASB issued Statement No. 168, **FASB Accounting Standards Codification**<sup>™</sup> and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162. The FASB has stated that "the **FASB Accounting Standards Codification**<sup>™</sup> (Codification) will become the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. Once effective, the Codification's content will carry the same level of authority, effectively superseding Statement 162. In other words, the GAAP hierarchy will be modified to include only two levels of GAAP: authoritative and nonauthoritative." Statement 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009.

[Click here](#) to access the Deloitte's Heads Up on this topic.

## **FASB Proposes Guidance on Fair Value Measurement of Liabilities**

On May 1, 2009, the FASB issued proposed FSP FAS 157-f, which would clarify Statement 157's guidance on the fair value measurement of liabilities. The proposed FSP indicates that if an identical liability is traded in an active market, the quoted price of that liability represents a Level 1 fair value measurement. If a quoted price for an identical liability traded in an active market is not available, an entity must use one of the following approaches to maximize the use of relevant observable inputs and minimize the use of unobservable inputs: (1) the "quoted price of the identical liability when traded as an asset in an active market," (2) the "quoted price of the identical liability or the identical liability when traded as an asset" in an inactive market, (3) the "quoted price for similar liabilities or similar liabilities when traded as assets" in an inactive market, or (4) "another valuation technique that is consistent with the principles of Statement 157," such as an income approach or a market approach.

Comments on the proposal were due by June 1, 2009. If finalized, the proposed FSP would be effective for the first reporting period beginning after issuance, with early application permitted.

[Click here](#) to see the proposed FSP FAS 157-f at FASB's web site.

## **FASB Issues Statement on Not-for-Profit Mergers and Acquisitions**

On May 22, 2009, the FASB issued Statement 164. The Statement's objective is to improve the "relevance, representational faithfulness, and comparability" of a not-for-profit entity's financial reporting "about a combination with one or more other not-for-profit entities, businesses, or nonprofit activities." The Statement provides guidance on "how a not-for-profit entity:

- a. Determines whether a combination is a merger or an acquisition
- b. Applies the carryover method in accounting for a merger
- c. Applies the acquisition method in accounting for an acquisition, including determining which of the combining entities is the acquirer
- d. Determines what information to disclose to enable users of financial statements to evaluate the nature and financial effects of a merger or an acquisition."

The Statement also establishes an effective date for certain requirements and amendments of Statements 142, 160, and 141(R) that apply to not-for-profit entities but that did not apply to not-for-profit entities upon their initial effective date.

Statement 164 is effective prospectively for mergers that occur at or after the beginning of an initial reporting period that begins on or after December 15, 2009, and for acquisitions that occur at or after the beginning of the first annual reporting period that begins on or after December 15, 2009. Early application is prohibited.

[Click here](#) to see the press release on the FASB's web site.

## **FASB Proposes Guidance on Applying Interpretation 48 to Pass-Through and Tax-Exempt Not-for-Profit Entities**

On May 18, 2009, the FASB issued proposed FSP FIN 48-d, which employs a "principles-based approach to provide guidance on the application of Interpretation 48 to pass-through entities and tax-exempt not-for-profit entities." The proposed FSP would also eliminate certain disclosure requirements in Interpretation 48 for nonpublic entities.

Comments on the proposed FSP were due by June 17, 2009. If finalized, the FSP would be effective upon issuance for entities currently applying Interpretation 48. For entities that elected to defer the application of Interpretation 48 (see FSP FIN 48-2), the FSP would be effective upon their initial adoption of the Interpretation.

[Click here](#) to see the detailed FSP FIN 48-d on the FASB's web site.

## **FASB Issues Statement on Subsequent Events**

On May 28, 2009, the FASB issued Statement 165. The Statement's objective is to "establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued



or are available to be issued.” Entities are required to disclose the date through which subsequent events were evaluated as well as the rationale for why that date was selected. Statement 165 is effective for interim and annual periods ending after June 15, 2009.

[Click here](#) to see the press release on the FASB’s web site.

[Click here](#) to see the Deloitte’ Heads up for details.

### **FASB Issues Proposal on Estimating the Fair Value of Investments in Investment Companies**

On June 8, 2009 the FASB issued for a 30-day public comment period proposed Staff Position (FSP) No. FAS 157-g, "Estimating the Fair Value of Investments in Investment Companies That Have Calculated Net Asset Value per Share in Accordance With the AICPA Audit and Accounting Guide, Investment Companies." Comments on the proposed FSP were due July 8, 2009. The proposed FSP will be effective upon issuance, including for prior periods for which financial statements have not been issued. The provisions of the FSP are to be applied prospectively.

[Click here](#) to see the details on the FASB’s web site.

### **SEC Releases Staff Accounting Bulletin 112**

On June 4, 2009 the SEC issued Staff Accounting Bulletin (SAB) 112. SAB 112 amends or rescinds portions of the SEC’s interpretive guidance to conform it with recent pronouncements issued by the FASB, specifically Statement No. 141(R), Business Combinations, and Statement No. 160, Noncontrolling Interests in Consolidated Financial Statements.

[Click here](#) to see the details on the SEC’s web site.

### **FASB Issues New Standard on Transfers of Financial Assets; Amends Guidance Related to Variable Interest Entities**

On June 12, 2009, the FASB issued Statements 166 and 167. Statement 166 amends the derecognition guidance in Statement 140 and eliminates the exemption from consolidation for qualifying special-purpose entities (QSPEs). As a result, a transferor will need to evaluate all existing QSPEs to determine whether they must now be consolidated in accordance with Statement 167. Statement 166 is effective for financial asset transfers occurring after the beginning of an entity’s first fiscal year that begins after November 15, 2009 (calendar-year-end companies must adopt it on January 1, 2010).

Statement 167 amends the consolidation guidance applicable to variable interest entities. The amendments will significantly affect the overall consolidation analysis under Interpretation 46(R). While the Board’s discussion leading up to the issuance of Statement 167 focused extensively on structured finance entities, the amendments to the consolidation guidance affect all entities and enterprises currently within the scope of Interpretations 46(R), as well as QSPEs that are currently excluded from the scope of Interpretation 46(R). The Statement is effective as of the beginning of the first fiscal year that begins after November 15, 2009 (calendar year-end companies must adopt it on January 1, 2010).

[Click here](#) to access the Deloitte’s Heads Up on the statements.

## **Other Matters**

### **AICPA Issues Guidance on Applying Agreed-Upon Procedures to XBRL-Tagged Data**

On April 28, 2009, the AICPA issued SOP 09-1, which provides guidance on “performing agreed-upon procedures engagements that address the completeness, accuracy, or consistency of an entity’s XBRL-tagged data.” The SOP will help practitioners who perform agreed-upon procedures engagements apply AT Section 201 to XBRL-tagged data. The SOP became effective upon issuance.

[Click here](#) to see the details on the AICPA’s web site.

## AICPA Issues Exposure Draft on Compilation and Review Standards

On April 28, 2009, the Accounting and Review Services Committee of the AICPA issued the following proposed SSARs:

- Framework and Objectives for Performing and Reporting on Compilation and Review Engagements.
- Compilation of Financial Statements.
- Review of Financial Statements.

The Exposure Draft was issued to provide guidance on the independence requirements of accountants providing compilation and review services. In addition, the proposed standards “recodify AR Section 100 . . . into separate chapters for compilation and review services,” harmonize the AICPA’s review standard with the IAASB’s review engagement standard, and include revisions to AR Sections 20 and 50 in the proposed framework. Comments on the Exposure Draft are due by July 31, 2009.

[Click here](#) to see the press release on the AICPA’s web site.

## XBRL 2009 Taxonomies Released

On April 20, 2009, XBRL US released the 2009 US GAAP Taxonomies for public use. Entities that provide an interactive data file (i.e., an XBRL exhibit) in SEC filings will use these taxonomies to prepare their exhibit. Note that most entities in the first phase-in group established by the final rule must provide the XBRL exhibit in their June 2009 Form 10-Q filing. Entities are permitted, however, to submit the exhibit in earlier filings.

[Click here](#) to access the Deloitte’s Heads Up on this topic. Click [2009 USGAAP Taxonomies](#) and the [final rule](#) for more details.

## PCAOB's Staff Practice Alert No. 4 Highlights Auditor Considerations Regarding Fair Value Measurements, Disclosures, and Other-Than-Temporary Impairments

The PCAOB recently issued Staff Audit Practice Alert No. 4, Auditor Considerations Regarding Fair Value Measurements, Disclosures, and Other-Than-Temporary Impairments. The Alert addresses the implications of the following FASB Staff Positions (FSPs):

- FSP FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly."
- FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments."
- FSP FAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments."

[Click here](#) to access the Staff Practice Alert on the PCAOB’s web site.

## SEC Issues New Compliance and Disclosure Interpretations

On April 24, 2009, the staff of the SEC’s Division of Corporation Finance issued new compliance and disclosure interpretations on the topics mentioned below. Click the respective topic to see the details on the SEC’s web site.

- [Securities Act sections.](#)
- [Securities Act rules.](#)
- [Securities Act forms.](#)
- [Regulation S-K.](#)
- [Exchange Act rules.](#)
- [Exchange Act Section 16 and related rules and forms.](#)
- [Exchange Act Form 8-K.](#)
- [Exchange Act forms.](#)



## **PCAOB Issues Concept Release on Possible Revisions to Audit Confirmations Standard**

On April 14, 2009, the PCAOB issued for public comment a concept release on possible revisions to AU Section 330. The Board is seeking comments on the “potential direction of a standard-setting project that could result in an amendment to, or a new auditing standard on,” audit confirmations. Comments on the concept release were due by May 29, 2009.

[Click here](#) to see the press release on the PCAOB’s web site.

## **AICPA Proposes Clarifying and Converging SAS**

On April 10, 2009, the ASB of the AICPA issued a proposed SAS as part of the AICPA’s Clarity Project to make auditing standards easier to read and understand as well as to further the ASB’s ongoing “strategy to converge its standards with those of the International Auditing and Assurance Standards Board [IAASB].” The SAS would supersede SAS 1 and replace certain paragraphs of SAS 58. The proposed standard would also converge with ISA 560. Comments on the proposed SAS were due by July 15, 2009. The effective date of all clarified SASs will be the same and will be determined once all the redrafted standards are issued, but will not be earlier than December 15, 2010.

[Click here](#) to see more information on the AICPA’s web site.

## **IASC Foundation Issues IFRS Taxonomy 2009 and Publishes XBRL Handbook for Public Comment**

On April 2, 2009, the IASC Foundation issued the IFRS Taxonomy 2009. The taxonomy is a translation of IFRSs as of January 1, 2009, into XBRL, which allows companies, regulators, investors, analysts, and others to file, access, and compare IFRS financial data more easily. In April 2009, the IASC Foundation also published the Due Process Handbook for XBRL Activities for public comment. The handbook describes the Foundation’s “XBRL mission, methodology and scope of work.” Comments on the handbook were due by June 26, 2009.

[Click here](#) to see the press release on the IASB’s web site. Click on [IFRS Taxonomy 2009](#) and [Due Process Handbook for XBRL Activities](#).

## **SEC Staff Issues Compliance Guide for Small Entities**

In April 2009, the SEC staff published a compliance guide for small entities, which summarizes recent amendments that require registrants to provide financial information in an interactive data format in certain SEC filings. Such information will be made interactive through use of XBRL. Topics covered in the guide include the phase-in schedule, optional early compliance, creating required interactive data, due dates and grace periods, and consequences of noncompliance.

[Click here](#) to access the compliance guide on the SEC’s web site.

## **Other SEC Rules Issued or Proposed Recently**

The SEC issued the following final rules:

- [Rule 33-9027, Adoption of Updated Edgar Filer Manual.](#)
- [Rule 33-9022, Adoption of Updated Edgar Filer Manual.](#)

The SEC proposed the following rules:

- [Rule 34-59769, Interagency Proposal for Model Privacy Form Under the Gramm-Leach-Bliley Act.](#)
- [Rule 34-59748, Amendments to Regulation SHO.](#)

## International Practices Task Force Highlights

The Center for Audit Quality (CAQ) and SEC Regulations Committee's International Practices Task Force (the "Task Force") meets periodically with the Staff of the SEC to discuss emerging technical accounting and reporting issues relating to SEC rules and regulations. Following issues have been discussed during the meeting on 25th November 2008:

- A. First Time Adoption of IFRS by a FPI that Previously Used US GAAP for its primary financial statements in its 20F
- B. Applicability of Industry Guide 3 Disclosures for "Domestic" and "Foreign" Operations to IFRS (IASB) reporting FPIs
- C. PCAOB audit opinion for significant obligors/swap counterparties of Registered AB filers
- D. Follow-up on MJDS and Consents
- E. Implementation of transition for change in accountant disclosures under the SEC's Foreign Issuer Reporting Enhancements ("FIRE") rules
- F. Summary of Hyperinflationary Economies

[Click here](#) to access the highlights of the meeting.

## AICPA Issues Practice Aid on Fair Value Measurement Disclosures for Master Trusts

In May 2009, the AICPA issued a Technical Practice Aid ("TPA") that addresses fair value measurement disclosure requirements for employee benefit plans that hold investments under master trust arrangements. The TPA clarifies that the disclosures required by paragraphs 32–34 of Statement 157 for employee benefit plan financial statements are "required for individual investments under a master trust arrangement and are not required for the plan's total interest in the master trust".

[Click here](#) to access the TPA on the AICPA's web site.

## SEC Staff's Views on Filing Registration Statements After the Adoption of Statement 160, FSP APB 14-1, and FSP EITF 03-6-1

On May 26, 2009, the CAQ issued an alert regarding the SEC's views on how a registrant should consider the initial adoption of Statement 160, FSP APB 14-1, and FSP EITF 03-6-1 when filing a registration statement that incorporates the most recent annual report on Form 10-K and financial statements for an interim period that includes the date of adoption.

The SEC staff has indicated that once a registrant has filed interim financial statements for a period including the adoption date of Statement 160, FSP APB 14-1, or both, the registrant should recast prior-period annual financial statements that are incorporated by reference into a registration statement to reflect the material retrospective application of Statement 160 and FSP APB 14-1.

However, once a registrant has filed interim financial statements for a period including the adoption date of FSP EITF 03-6-1, the registrant is not required to include or incorporate by reference in a registration statement revised prior-period annual financial statements to reflect that FSP's retrospective application. Instead, if the registrant and its auditors believe the financial statements that are incorporated by reference in the registration statement do not require revision and the auditors consent to the use of the prior-period audit report without revision, the registrant may disclose the revised earnings per share attributable to the adoption of FSP EITF 03-6-1 in the selected financial data in the registration statement, or in a Form 10-Q or Form 8-K incorporated by reference. In addition, the SEC staff expects registrants to provide full and robust supplemental disclosures about the implications of the FSP's adoption.

[Click here](#) to access the details on the CAQ's web site.

## SEC Staff Issues Interpretations on XBRL Rules, Executive Compensation Disclosures, and Form 8-K

On May 29, 2009, the SEC's Division of Corporation Finance issued approximately 30 Compliance and Disclosure Interpretations (C&DIs). The interpretations reflect the views of the staff of the Division of Corporation Finance, and are not formal rules, regulations, or statements of the SEC.

The C&DIs address a number of topics, including:

#### Interactive Data (XBRL) Rules:

- Applicability of the rules to voluntary filings and XBRL submissions.
- XBRL requirements for filings that contain financial statements of more than one entity.
- The need for a filer to consider controls and procedures with respect to interactive data in evaluating the effectiveness of the registrant's disclosure controls and procedures.
- Application of the phase-in provisions of the XBRL rules.
- Determination of whether certain disclosures contain amounts that require separate tagging under the rules (e.g., an amount expressed in text instead of as a number).
- Prohibition against including the auditors' report on the financial statements or an assurance report on the interactive data in the interactive data files.
- Whether a material error in the interactive data exhibit triggers a Form 8-K reporting requirement if the financial statements on which they are based are error-free.
- Clarification of how to comply with certain technical form and submission requirements.

#### Regulation S-K (Executive Compensation):

- How to determine compensation for the summary compensation table.
- How to determine the grant-date fair value of incentive stock options for the grants of plan-based awards table.
- Other executive compensation considerations.

#### Exchange Act Form 8-K:

- Application of Item 5.02 regarding appointment of directors and Item 5.04 regarding temporary suspension of trading under a registrant's employee benefit plans.

Click the respective topic to see the C&DIs on the SEC's web site.

- [Interactive data.](#)
- [Regulation S-T.](#)
- [Regulation S-K.](#)
- [Exchange Act Form 8-K.](#)

### **SEC Proposes Rule Amendments to Increase Safeguards on Investor Funds**

On May 20, 2009, the SEC issued a proposed rule containing amendments that would "increase protections for investors who entrust their money to investment advisers." The amendments proposed include requirements that an independent public accountant perform a random annual examination to verify the existence of assets and that investment advisers report to the SEC about the annual examinations.

For more details, see the [press release](#) on the SEC's web site.

### **CAQ Releases Guide on Public-Company Auditing**

On May 6, 2009, the CAQ released a guide that contains an overview of public-company auditing processes as well as Q&As on the following topics:

- "The relationship between company management, the audit committee and the auditors;
- Audit team composition;
- Steps in the audit process;
- Finding fraud; and
- Auditor independence."

The guide illustrates the important role of the public-company auditor in providing transparency in the capital markets.

[Click here](#) to see the press release on the CAQ's web site.

## SEC Creates Investor Advisory Committee

On June 3, 2009, the SEC announced the creation of an Investor Advisory Committee to allow investors the ability to provide more input on SEC matters. The Committee's charter includes the following responsibilities:

- Advise the SEC on matters of concern to investors in the securities markets.
- Provide the SEC with investors' perspectives on current, non-enforcement, regulatory issues.
- Serve as a source of information and recommendations to the SEC regarding the SEC's regulatory programs from the point of view of investors.

Richard (Mac) Hisey, president of AARP Financial Incorporated and AARP Funds, and Hye-Won Choi, senior vice president and head of corporate governance for TIAA-CREF, will co-chair the 15-member committee. The Committee is expected to begin its work after its charter is filed with Congress.

[Click here](#) to see the press release on the SEC's web site.

## SEC Considering Executive Compensation Proposals

On June 10, 2009, the SEC issued a press release, which included a statement by SEC Chairman Mary Shapiro. She indicated that the SEC is considering a package of new proxy disclosure rules that will provide more transparency in executive compensation decisions. These proposals will require greater disclosure about:

- How a company and its board manage risks.
- A company's overall compensation approach.
- Potential conflicts of interest by compensation consultants, including disclosure of relationships between the consultants and the company and its affiliates.
- The experience and qualifications of director nominees and why a board has chosen its particular leadership structure

[Click here](#) to see the press release on the SEC's web site.

## Deloitte Offers Dbriefs, Live Webcasts for Executive Level Audience

Now available to the audience outside of the U.S., Deloitte offers Dbriefs, live webcasts that give valuable insights on a variety of business topics aimed at executive level audience across function and industry including:

- Financial Executives
- HR Executives
- Tax Executives
- China Issues
- Financial Services
- Consumer Business
- Technology, Media & Telecommunications
- Manufacturing
- Energy & Resources
- Life Sciences & Health Care
- Real Estate
- Public Sector

Archived webcasts are available for 90 days after the live presentation. To join Dbriefs:

- Visit <http://www.deloitte.com/us/dbriefs>
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Once you are a Dbriefs subscriber, you can sign up for individual webcasts via weekly registration emails for your chosen series. After you register for your first webcast, you will have access to the Express Registration, which allows you to save time by registering and logging in to future webcasts just by entering your email address.

### **Selected Webcasts (Archived and Upcoming) Include:**

#### **Financial Reporting**

- Quarterly Accounting Roundup: An Update of Important Developments  
September 30, 2:00 PM EDT (18:00 GMT)
- EITF Roundup: Highlights of the September Meeting  
September 15, 2:00 PM EDT (18:00 GMT)
- IFRS: A Deeper Dive into Revenue Recognition and Derecognition  
July 29, 2:00 PM EDT (18:00 GMT)

#### **Tax Implications of IFRS**

- A Deeper Dive on Tax Accounting Methods  
May 18, 2:00 PM EDT

#### **Private Companies**

- Private Aircraft: Fasten Your Seatbelts and Raise Your Tray Tables  
September 29, 2:00 PM EDT (18:00 GMT)
- FIN 48: It's Here to Stay - Are You Ready?  
August 25, 2:00 PM EDT (18:00 GMT)
- 2009 Tax and Regulatory Changes: What's In Store for Private Companies and Their Owners?  
June 24, 2:00 PM EDT (18:00 GMT)

#### **Special Edition Webcast: Financial Reporting**

- Quarterly Accounting Roundup: An Update of Important Developments  
June 08, 2:00 PM - 3:30 PM EDT (18:00 GMT)
- EITF Roundup: Highlights of the June Meeting  
June 23, 2:00 PM - 3:30 PM EDT (18:00 GMT)

#### **Corporate Governance**

- Independent Leadership: The Role of the Non-Executive Chairman  
September 02, 2:00 PM EDT (18:00 GMT)
- Providing Earnings Guidance to Investors: The Latest Perspectives  
August 05, 2:00 PM EDT (18:00 GMT)
- The Latest Trends in Corporate Governance  
July 08, 2:00 PM EDT (18:00 GMT)
- SEC Investigations: What to Expect If the SEC Comes Knocking  
June 04, 2:00 PM EDT (18:00 GMT)

#### **Driving Enterprise Value**

- Focus on Cash: Cracking the Code to Generate, Liberate, and Deploy Cash

July 22, 3:00 PM EDT (18:00 GMT)

- IFRS: Working Toward a More Cost Effective Transition

July 07, 3:00 PM EDT (18:00 GMT)

- Supply Chain Cost Reduction: Eight Cost Take-Out Levers that Really Matter in a Downturn

June 17, 3:00 PM EDT (19:00 GMT)

### **Transactions & Business Events**

- Following the Fraud: Litigation Risks from Mismanagement during a Downturn

September 09, 2:00 PM EDT (18:00 GMT)

- Corruption, Fraud, and Economic Sanctions: The Role of Compliance and Integrity Due Diligence in M&A Decision-Making

August 12, 2:00 PM EDT (18:00 GMT)

- E-Discovery and Early Case Assessment: Considerations for Cost Effective Litigation

July 15, 2:00 PM EDT (18:00 GMT)

- Fraud Response Management: Implementing an Effective Program

June 10, 2:00 PM EDT (18:00 GMT)

### **FAS 109**

- Material Weaknesses and Restatements: Is Tax Still in the Hot Seat?

August 03, 2:00 PM EDT (18:00 GMT)

### **Risk Intelligence**

- Beyond Controls: Reducing Financial Reporting Risk through Process, People, and System Improvements

September 24, 2:00 PM EDT (18:00 GMT)

- Integrating Tax in a Risk Intelligent Enterprise: What Executives Outside of Tax Need to Know

August 27, 2:00 PM EDT (18:00 GMT)

- Managing Data Security and Privacy: What Role Should Non-Tech Executives Play?

July 30, 2:00 PM EDT (18:00 GMT)

[Click here](#) for further details of these Webcasts and to join Dbriefs.

Also [click here](#) to access upcoming and archived Dbriefs webcasts related to IFRS.



## Recent Deloitte Publications

Below is a list of Deloitte publications about some of the recent rule proposals and legislative actions.

- [Accounting Roundup—Current Issue and Archive](#)
- [EITF Snapshot – June 2009](#)
- [Heads Up: FASB Issues New Standard on Transfers of Financial Assets](#)
- [Heads Up: FASB Issues Guidance on Management’s Assessment of Subsequent Events](#)
- [Heads Up: FASB Issues Guidance on Combinations Involving Not-for-Profit Entities](#)
- [Heads Up: FASB Codification](#)
- [Heads Up: Guidance Proposed on Inactive Markets, Distressed Transactions, and Other-Than-Temporary Impairments](#)
- [Heads Up: FASB and IASB Issue Preliminary Views on Lease Accounting](#)
- [Heads Up: FASB Amends Statement 141\(R\)'s Guidance on Contingencies](#)
- [Heads Up : Board Approves Three FASB Staff Positions in an Attempt to Clarify Fair Value Accounting](#)
- [Heads Up: Valuation Resource Group Discusses Four Topics at February 5 Meeting](#)
- [Heads Up: COSO, PCAOB, and CAQ Address Internal Controls](#)
- [Heads Up: SEC Issues Financial Reporting Manual](#)
- [Heads Up: SEC Publishes Final Rule Mandating Use of “Interactive Data”](#)
- [Heads Up: FASB Issues Proposal on Interim Disclosure of Financial Instruments](#)
- [Heads Up: IASB Issues an Exposure Draft on Consolidation](#)
- [Heads Up: SEC Modernizes Oil and Gas Company Reporting](#)
- [Heads Up: Beneficial Guidance — FASB Issues Amendments to OTTI Model for Certain Investments in Securitizations](#)
- [Financial Reporting Alert 09-2: Acceleration of the Vesting of Deep Out-of-the-Money Share Option Awards](#)
- [Financial Reporting Alert 09-1: Impact of Credit Downgrades on the OTTI Analysis of Perpetual Preferred Securities](#)
- [Newsletter: IFRS Insights](#)
- [IFRS and U.S. GAAP - A Pocket Comparison](#)
- [International Financial Reporting Standards for U.S. Companies - Implications of an accelerating global trend](#)
- [Buckle Up \(On the Road to IFRS\) – Straight Talk Book Series - Book No. 11](#)
- [Software Revenue Recognition: A Roadmap to Applying AICPA SOP 97-2](#)
- [Consolidation of Variable Interest Entities: A Roadmap to Applying Interpretation 46\(R\)'s Consolidation Guidance](#)
- [Uncertainty in Income Taxes: A Roadmap to Applying Interpretation 48](#)
- [Accounting for Business Combinations and Related Topics: A Roadmap to Applying FASB Statements 141\(R\), 142, and 160](#)
- [A Roadmap to the Accounting and Regulatory Requirements of Postretirement Benefits: Including an Overview of Statement 158](#)
- [FASB Statement No. 123\(R\), Share Based Payment: A Roadmap to Applying the Fair Value Guidance to Share-Based Payment Awards](#)
- [Under Control: Sustaining Compliance with Sarbanes-Oxley in Year Two and Beyond On Optimizing SOX Compliance](#)
- [Audit Committee Brief Archive](#)
- [Special Reports: SEC Comment Letters](#)

## What is and How to Subscribe to Technical Library: The Deloitte Accounting Research Tool?

Deloitte makes available, on a subscription basis, its online library of accounting and financial disclosure literature, called Technical Library: The Deloitte Accounting Research Tool (the "library"), it includes material from the FASB, the EITF, the AICPA, the SEC, and the IASB, in addition to Deloitte's own accounting manual and other interpretative accounting guidance.

Updated every business day, the library has an intuitive design and navigation system, which, together with its powerful search features, enables users to quickly locate information anytime, from any computer. Additionally, the library subscribers receive periodic e-mails highlighting recent additions to the library.

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For more information, including subscription details and an online library demonstration, visit: <http://www.deloitte.com/us/dart>

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