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Accounting Roundup

Deloitte & Touche LLP — Audit and Enterprise Risk Services

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FASB Developments

FASB Issues FSP EITF Issue 03-1-1, *Effective Date of Paragraphs 10-20 of EITF Issue No. 03-1*, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments"

On September 30, 2004, the FASB issued FSP EITF Issue 03-1-1, which delayed the effective date of paragraphs 10-20 of EITF Issue No. 03-1. Paragraphs 10-20 of EITF Issue No. 03-1 give guidance on how to evaluate and recognize an impairment loss that is other than temporary (i.e., steps 2 and 3 of the impairment model). Application of those paragraphs is deferred pending issuance of proposed FSP EITF Issue 03-1-a. The guidance in paragraphs 6 through 9 of EITF Issue No. 03-1 (i.e., step 1 of the impairment model), as well as the disclosure requirements in paragraphs 21 and 22, have not been deferred and should be applied based on the transition provisions in EITF Issue No. 03-1.

The FSP is available on the FASB's Web site.

FASB Issues Proposed FSP EITF Issue 03-1-a, *Implementation Guidance for the Application of Paragraph 16 of EITF Issue No. 03-1*, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments"

EITF Issue No. 03-1 provides guidance on the meaning of the phrase other-than-temporary impairment and its application to several types of investments including debt securities classified as held-to-maturity and available-for-sale under FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*. Paragraph 16 of EITF Issue No. 03-1 provides separate guidance for evaluating whether an impairment is other-than-temporary for debt securities that cannot be contractually prepaid or otherwise settled in such a way that the investor would not recover substantially all of its cost.

On September 15, 2004, the FASB issued proposed FSP EITF Issue 03-1-a to address the application of EITF Issue No. 03-1 to debt securities that are impaired solely because of interest-rate and/or sector-spread increases and that are analyzed for impairment under paragraph 16 of EITF Issue No. 03-1. The proposed FSP states the following:

- An investor should assert its ability and intent to hold an investment until a forecasted recovery at the individual security level.
- Minor impairments caused by interest-rate and/or sector-spread increases can be considered temporary and would not create the need for an assertion about the ability and intent to hold an investment until a forecasted recovery.
- An impairment is considered other-than-temporary when the investor's assertion to hold an investment until a forecasted recovery changes.
- There are circumstances in which a sale of an interest-rate impaired or sector-spread impaired security, for which an investor previously had asserted its ability and intent to hold until a forecasted recovery, may not necessarily call into question the investor's ability or intent to hold other securities to recovery. Such circumstances include the exceptions discussed in paragraphs 8 and 11 of SFAS 115, and the following:
    - o Unexpected and significant changes in liquidity needs,
    - o Unexpected and significant increases in interest rate and/or sector spreads that significantly extend the period that a security would need to be held by the investor, and
    - o A *de minimus* volume of sales of securities.

The proposed FSP would be effective for other-than-temporary impairment evaluations of interest-rate impaired and sector-spread impaired debt securities that are analyzed under paragraph 16 of EITF Issue No. 03-1 on the last reporting date for reporting periods ending after the final FSP is posted to the FASB Web site.

The proposed FSP is available on the FASB's Web site. The comment period ends October 29, 2004.

Recent FASB Meetings

The summary below highlights certain tentative decisions reached or topics discussed at recent FASB meetings. Final conclusions were not reached and further consideration is expected. Additional information is available in the FASB's weekly *Action Alert* newsletter, which is available on the FASB's Web site.

Dates in parentheses indicate FASB meeting dates at which the respective issues were discussed.

Equity Based Compensation (September 1, September 8, and September 15)

- *Employee Share Purchase Plans* — The Board discussed and tentatively concluded that Employee Share Purchase Plans (ESPPs) are not compensatory and do not give rise to recognizable compensation cost if certain criteria are met including the following:
    - o Entities may offer discounts commensurate with the offering costs an entity would incur by issuing the same instruments in the market. A discount of five percent or less from the market price should be considered to comply with this criterion without further justification.
    - o The ESPP does not incorporate option features. (September 8)
- *Disclosure Requirements* — The Board discussed and reached certain tentative decisions on various disclosure requirements. (September 8)
- *Fair Value Measurement* — The Board reached several tentative conclusions relating to the measurement of equity-based awards granted to employees including the following:
    - o *Model* — It is not the Board's intent to require entities to use a specific model for estimating grant-date fair value and the Board decided to eliminate an explicit preference for the lattice model.
    - o *Volatility* — Entities should make a reasonable and supportable estimate of expected volatility and may consider the implied volatility of outstanding convertible debt instruments in making the estimate.
    - o *Expected Term* — Entities should consider actual exercise experience in estimating a stock option's expected term.
    - o *Nontransferability* — Entities should not adjust fair value for the impact of nontransferability since using the expected term provides an objective and theoretically sound methodology for estimating the effect of nontransferability on the value of an employee stock option.
    - o *Contingent Features* — Entities should not consider contingent features such as a clawback feature in estimating the fair value of an equity instrument on the date it is granted. Those features are to be accounted for if and when the contingent event occurs.
    - o *Alternative Measurement Method* — If an entity is unable to estimate fair value, compensation cost should be measured at the award's intrinsic value through the date of exercise, forfeiture, or other settlement. (September 1)

- *Transition* — The Board affirmed its support for the modified prospective transition method in the proposed statement, *Share-Based Payment*, *an amendment of Statements No. 123 and 95*, and decided to permit the use of a modified retrospective method of transition. The Board also concluded that an alternative transition method would not be permitted for those entities that previously adopted FASB Statement No. 123, *Accounting for Stock-Based Compensation*, under the prospective transition method permitted by FASB Statement No. 148, *Accounting for Stock-Based Compensation — Transition and Disclosure*. (September 1)
- *Other Topics* — The Board discussed and made decisions regarding the following: (1) modified grant-date method and deep out-of-the-money options, (2) modifications and settlements, and (3) spinoffs. (September 1)
- *Industry Meeting* — The FASB met with representatives of several companies to discuss a proposed method for measuring the value of stock options issued to employees as part of a share-based payment arrangement. The meeting was informational and no conclusions were reached. (September 15)

FASB Staff Positions (FSPs) (September 8)

- Proposed FSP FAS 142-c, *Application of FASB Statement No. 142*, Goodwill and Other Intangible Assets, *to Exchange Membership*. After discussing the comments received, the Board disagreed with the proposed FSP FAS 142-c and directed the staff to work with the AICPA staff to modify existing language about exchange memberships in the AICPA Audit and Accounting Guide for brokers and dealers.

Real Estate Time Sharing (September 15)

- The FASB approved the issuance of a final Statement that would amend FASB Statement No. 67, *Accounting for Costs and Initial Rental Operations of Real Estate Projects*, to state that the guidance for (1) incidental operations and (2) costs incurred to sell real estate projects does not apply to real estate time-sharing transactions. This amendment is required to facilitate the issuance of the final AICPA SOP, *Accounting for Real Estate Time-Sharing Transactions*. The Board also decided that the final Statement should amend FASB Statement No. 66, *Accounting for Sales of Real Estate*, to include a footnote that refers to the interpretive guidance in the SOP for time-sharing transactions. The Board authorized the staff to draft a final Statement for vote.

Short Term International Convergence — Exchanges of Productive Assets (September 15)

- The FASB discussed the provisions of the Exposure Draft, *Exchanges of Productive Assets*, *an amendment of APB Opinion No. 29*, and made the following tentative decisions:
  - o *Scope* — The scope of the Exposure Draft should remain as proposed except that certain qualifiers (i.e., "significant" and "substantially all") should be added.
  - o *Commercial Substance* — The accounting for a nonmonetary exchange shall be based on the recorded amount of the nonmonetary asset relinquished, and not on the fair value of the transferred asset, if the transaction lacks commercial substance. The FASB made the following decisions relating to whether a nonmonetary exchange has commercial substance:
    - *Cash Flow Test* — A cash flow test is required to determine whether a nonmonetary exchange of productive assets has commercial substance.
    - *Configuration of Cash Flows* — Commercial substance may be established by assessing the change in configuration of cash flows, without regard to the significance of that change to the fair values of the exchanged assets.
    - *Values of Assets Exchanged* — A transaction has commercial substance if the entity-specific value of the assets received differs significantly from the entity-specific value of the assets transferred.
    - *Tax Cash Flows* — Commercial substance must not be predicated on tax cash flows that arise solely because the tax business purpose is based on achieving a specified financial reporting result.
  - o *Disclosure of the Exchange* — No disclosure will be required of the circumstances surrounding, or the reasons for, a nonmonetary asset exchange.
  - o *Amendment to FASB Statement No. 140* — The scope exception for exchanges of equity method investments for similar productive assets in FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, will be eliminated.
  - o *Effective Date* — The effective date of the Statement will be on a prospective basis for nonmonetary asset exchanges occurring in fiscal years beginning after December 15, 2004.

FASB Project Summaries and Meeting Minutes

Project summaries maintained by the FASB staff, handouts distributed at each meeting, FASB meeting minutes, and summaries of FASB meetings and recent actions are available on the FASB's Web site.

Further information about the FASB can be found on the FASB's Web site, www.fasb.org.

Conclusions of the FASB are subject to change at future Board meetings and generally do not affect current accounting requirements until an official position (Statement or Interpretation) is issued. Official positions of the FASB are determined only after extensive deliberation and due process, including a formal vote by written ballot to issue a Statement or Interpretation. The FASB Staff's guidance (FASB Staff Positions) is proposed after the Board's review and, after being exposed for public comment, becomes final if a majority of the Board does not object to its issuance.

AICPA Developments

AICPA Issues Technical Questions and Answers to Address Financial Accounting and Reporting Issues Related to SOP 03-1

On September 17, 2004, the AICPA issued the following Technical Questions and Answers to address financial accounting and reporting issues related to SOP 03-1, *Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts*:

- TPA 6300.05, *Definition of an Insurance Benefit Feature*
- TPA 6300.06, *Definition of an Assessment*
- TPA 6300.07, *Level of Aggregation of Additional Liabilities Determined under SOP 03-1*
- TPA 6300.08, *Losses Followed by Losses*
- TPA 6300.09, *Reinsurance*
- TPA 6300.10, *Accounting for Contracts that Provide Annuitization Benefits.*

The Technical Questions and Answers are available on the AICPA's Web site.

These Technical Questions and Answers, like all technical questions and answers, have not been approved, disapproved, or otherwise acted upon by any senior technical committee of the AICPA. Although they may provide useful guidance, they are nonauthoritative and do not establish new U.S. GAAP.

Recent AICPA Meeting

At its September 8-9, 2004 meeting, AcSEC discussed the following projects:

Airline Guides

AcSEC continued its discussions and reached certain tentative conclusions on the following issues:

- Gross versus net presentation of regional airlines' pass-through costs,
- Accounting for lease return costs,
- Revenue breakage.

Deferred Acquisition Costs on Internal Replacements

AcSEC voted to approve (for re-exposure) an Exposure Draft SOP, *Accounting by Insurance Enterprises for Deferred Acquisition Costs on Internal Replacements Other Than Those Specifically Described in FASB Statement No. 97*. On September 15, 2004, the FASB met with representatives of the AcSEC to discuss the Exposure Draft and did not object to issuance of the Exposure Draft for comment. The AICPA expects to issue the draft in October for a 30-day comment period.

Fair Value

AcSEC discussed and approved a comment letter on the FASB's Exposure Draft of the proposed statement, *Fair Value Measurements*.

A summary of the meeting is available on the AICPA's Web site.

Further information about the AICPA and AcSEC can be found on the AICPA's Web site, www.aicpa.org.

SEC Developments

SEC Issues Staff Accounting Bulletin No. 106 Regarding the Application of FASB Statement No. 143, *Accounting for Asset Retirement Obligations*, by Oil and Gas Producing Companies Following the Full Cost Accounting Method

On September 28, 2004, the SEC released SAB 106 which expresses the staff's views on the application of SFAS 143 by oil and gas producing companies following the full cost accounting method. SAB 106 provides interpretive responses related to the following:

- Computing the full cost ceiling to avoid double-counting the expected future cash outflows associated with asset retirement obligations,
- Required disclosures relating to the interaction of SFAS 143 and the full cost rules,
- The impact of SFAS 143 on the calculation of depreciation, depletion, and amortization.

SAB 106 is effective prospectively as of the beginning of the first fiscal quarter beginning after publication in the Federal Registrar and is available on the SEC's Web site.

SEC Staff Announcement on the Use of the Residual Method to Value Acquired Assets Other Than Goodwill

On September 29, 2004, the SEC staff provided, through an announcement at the EITF meeting, guidance on the use of the residual method to value acquired assets other than goodwill. The residual method has been used by the telecommunications, broadcasting, and cable industries. Under the residual method, purchase price in a business combination is assigned to all other identifiable assets and liabilities as provided in FASB Statement No. 141, *Business Combinations*, with the remaining amount being allocated to an intangible asset. In these instances, there is either no goodwill recognized, or the amount of goodwill recognized uses a technique other than that specified in paragraph 43 of SFAS 141.

The SEC staff announcement indicates the belief of the SEC staff that the residual method does not comply with the requirements of SFAS 141, and, accordingly, should no longer be used. Instead, a direct value method should be used to determine the fair value of all intangible assets required to be recognized under SFAS 141. Impairment testing of intangible assets, similarly, should not rely on a residual method, and should instead comply with the provisions of FASB Statement No. 142, *Goodwill and Other Intangible Assets*.

The SEC staff announcement provides that registrants should no longer apply the residual method to assets (other than goodwill) acquired in business combinations completed after September 29, 2004. Further, companies that have applied the residual method to the valuation of intangible assets for purposes of impairment testing will be required to perform an impairment test no later than the beginning of their first fiscal year beginning after December 15, 2004, using a direct method. Reclassification of recorded balances between goodwill and intangible assets immediately prior to adoption of the staff announcement is prohibited.

SEC Approves PCAOB Rule 3101, *Certain Terms Used in Auditing and Related Professional Practice Standards*, and an Amendment to Rule 1001, *Definitions of Terms Employed in Rules*

On September 8, 2004, the SEC approved PCAOB's Rule 3101, and an amendment to Rule 1001. Rule 3101 sets forth the terminology the PCAOB will use to describe the degree of responsibility that the auditing and related professional practice standards impose on auditors who conduct engagements pursuant to the standards of the PCAOB, and Rule 1001 defines the term "auditor" when applied to rules and standards adopted by the PCAOB.

A copy of the SEC release that contains a summary of the rules is available on the SEC's Web site.

SEC Proposes Rule to Establish Voluntary Program for Reporting Financial Information on EDGAR Using XBRL

On September 27, 2004, the SEC proposed rule amendments to enable registrants to voluntarily submit supplemental tagged financial information using the eXtensible Business Reporting Language (XBRL) format as exhibits to certain EDGAR filings. Registrants who choose to participate in the program, which is expected to begin with the 2004 calendar year-end reporting season, would continue to file their financial information in HTML or ASCII format as currently required. The voluntary program, in general, is intended to help the SEC evaluate the usefulness of data tagging and XBRL, in particular, to registrants, investors, the Commission, and the marketplace.

The SEC also issued a concept release which provides additional information on tagged data and solicits comment on the benefits and implications of data tagging as well as the adequacy and efficacy of XBRL as a format for reporting financial information.

The proposed rule and concept release are available on the SEC's Web site. The comment period for the proposed rule ends November 1, 2004. Comments on the concept release should be submitted by November 15, 2004.

Further information about the SEC can be found on the SEC's Web site, www.sec.gov.

PCAOB Developments

Board Adopts *Conforming Amendments to PCAOB Interim Standards Resulting from the Adoption of PCAOB Auditing Standard No. 2,* "An Audit of Internal Control Over Financial Reporting Performed in Conjunction With an Audit of Financial Statements"

On September 15, 2004, the PCAOB adopted amendments to its interim standards that conform the text of the interim standards to the requirements of PCAOB Auditing Standard No. 2. The amendments that affect integrated audits would be effective at the same time Auditing Standard No. 2 becomes effective. Amendments that affect audits of financial statements would be effective only for audits of financial statement periods ending on or after July 15, 2005. The conforming amendments will be submitted to the SEC for final approval, as required by the Sarbanes-Oxley Act of 2002.

The proposed amendments are available on the PCAOB's Web site.

Further information about the PCAOB can be found on the PCAOB's Web site, www.pcaobus.org.

International Developments

Recent IFRIC Meeting

The IFRIC discussed the following topics at its September 2-3, 2004 meeting:

- D1, *Emission Rights*
- D3, *Determining Whether an Arrangement Contains a Lease*
- D4, *Decommissioning, Restoration and Environmental Rehabilitation Funds*
- Service Concession Arrangements
- Waste Electrical and Electronic Equipment.

The IFRIC approved the contents of Interpretation D4, which will be published after the IASB's approval. The IFRIC plans to vote to approve Interpretations D1 and D3 at its next meeting on October 7 and 8, 2004. The IFRIC also voted to publish, as an Exposure Draft, the Interpretation addressing waste electrical and electronic equipment.

A summary of the September 2004 meeting is available on the IASB's Web site. The observer notes and staff presentations made at the meeting are available on the IASB's Web site. A summary of meeting decisions and discussions is available on Deloitte's IAS Plus Web site.

Further information about IASB and IFRIC can be found on the IASB's Web site, www.iasb.org, and on the IAS Plus Web site, www.iasplus.com/index.htm.

Conclusions of the IASB, including IFRIC, are subject to change at future Board meetings and generally do not affect current accounting requirements for entities that apply IASB standards until an official position (IFRS or Interpretation) is issued. Official positions of the IASB are determined only after extensive deliberation and due process, which includes a formal vote by written ballot to issue an IFRS or Interpretation.

Appendix A: Significant Upcoming Dates

The chart below illustrates significant upcoming dates for the FASB, EITF, GASB, AICPA/AcSEC, SEC, PCAOB, and IASB/IFRIC.

FASB	Status
Upcoming Adoption Dates	
FIN 46(R), *Consolidation of Variable Interest Entities*	Public companies that are not small business issuers: – Provisions of FIN 46(R) currently are effective. Small Business Issuers: – For interests in SPEs, FIN 46 or FIN 46(R) must be applied no later than for financial statements ending after December 15, 2003. – For interests in all entities, FIN 46(R) must be applied no later than for financial statements ending after December 15, 2004. Nonpublic Entities: – FIN 46(R) must be applied by the beginning of the first annual period beginning after December 15, 2004. For guidance related to foreign private issuers, refer to "SEC Issues Letter to AICPA Regarding FIN 46(R) Effective Date Provisions With Regard to Foreign Private Issuers" on the SEC's Web site.
SFAS 133 Implementation Issue E22, *Accounting for the Discontinuance of Hedging Relationships Arising From Changes in Consolidation Practices Related to Applying FASB Interpretation No. 46 or 46(R)*	Effective as of the date of initial application of FIN 46 and/or FIN 46(R).
SFAS 133 Implementation Issue G25, *Cash Flow Hedges: Using the First-Payments-Received Technique in Hedging the Variable Interest Payments on a Group of Non-Benchmark-Rate-Based Loans*	Effective the first day of the first fiscal quarter beginning after August 9, 2004.
FSP FIN 46(R)-4, *Technical Correction of FASB Interpretation No. 46 (revised December 2003)*	The guidance should be applied in accordance with the effective dates of FIN 46(R).
FSP FAS 97-1, *Situations in Which Paragraphs 17(b) and 20 of FASB Statement No. 97*, Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and for Realized Gains and Losses From the Sale of Investments, *Permit or Require Accrual of an Unearned Revenue Liability*	Effective for financial statements for fiscal periods beginning after June 18, 2004.
FSP FAS 106-2, *Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003*	Effective for the first interim or annual period beginning after June 15, 2004, except for certain nonpublic entities for which the effective date is for fiscal years beginning after December 15, 2004.
FSPs FAS 141-1 and FAS 142-1, *Interaction of FASB Statements No. 141,* Business Combinations, *and No. 142*, Goodwill and Other Intangible Assets, *and EITF Issue No. 04-2*, "Whether Mineral Rights are Tangible or Intangible Assets"	Effective for the first reporting period beginning after April 29, 2004.
FSP FAS 142-2, *Application of FASB Statement No. 142*, Goodwill and Other Intangible Assets, *to Oil- and Gas-Producing Entities*	Effective for reporting periods beginning after September 2, 2004.

Projects in Exposure Draft Stage	
Proposed FSP EITF Issue 03-1-a, *Implementation Guidance for the Application of Paragraph 16 of EITF Issue No. 03-1*, "The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments"	Comments due October 29, 2004.
EITF	**Status**
Upcoming Adoption Dates	
Issue 02-14, *Whether an Investor Should Apply the Equity Method of Accounting to Investments Other Than Common Stock*	Effective for the first reporting period beginning after September 15, 2004.
GASB	**Status**
Upcoming Adoption Dates	
GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*	Effective in three phases based on a government's total annual revenues.
GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*	Effective for statistical sections prepared for periods beginning after June 15, 2005.
GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*	Effective one year prior to the effective date of GASB Statement No. 45 for the employer in a single-employer plan or the largest participating employer in a multi-employer plan.
GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*	Effective for fiscal periods beginning after December 15, 2004.
GASB Statement No. 40, *Deposit and Investment Risk Disclosures — an amendment of GASB Statement No. 3*	Effective for fiscal periods beginning after June 15, 2004.
Projects in Exposure Draft Stage	
Communication Methods, a proposed concept statement	Comments due September 30, 2004.
AICPA/AcSEC	**Status**
AICPA Proposed Rule	
Outsourcing Disclosure Rule	Comments due October 8, 2004.
SEC	**Status**
Upcoming Adoption Dates	
Final Rule, *Management's Report on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports* (an extension of compliance date)	Effective for fiscal years ending on or after November 15, 2004, for "accelerated filers." Effective for fiscal years ending on or after July 15, 2005, for "nonaccelerated filers." Effective for fiscal years ending on or after July 15, 2005, for foreign private issuers that file annual reports on Forms 20-F or 40-F.
SAB 106 Regarding the Application of FASB Statement No. 143, *Accounting for Asset Retirement Obligations*, by Oil and Gas Producing Companies Following the Full Cost Accounting Method	Effective prospectively as of the beginning of the first fiscal quarter beginning after publication in the Federal Registrar.

Use of the Residual Method to Value Acquired Assets Other Than Goodwill	Effective for business combinations completed after September 29, 2004. Companies that have applied the residual method to the valuation of intangible assets for purposes of impairment testing will be required to perform an impairment test no later than the beginning of their first fiscal year beginning after December 15, 2004, using a direct method.
Proposed Rules	
XBRL Voluntary Financial Reporting Program on the EDGAR System	Comments on the proposed rule due November 1, 2004. Comments on the concept release due November 15, 2004.
PCAOB	**Status**
Upcoming Adoption Dates	
Auditing Standard No. 1, *References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*	Effective for financial reports issued or reissued on or after May 24, 2004.
Auditing Standard No. 2, *An Audit of Internal Control Over Financial Reporting Performed in Conjunction With an Audit of Financial Statements*	Effective for audits of companies with fiscal years ending on or after November 15, 2004, for accelerated filers, or July 15, 2005, for other companies.
Auditing Standard No. 3, *Audit Documentation*	Effective for audits of financial statements with fiscal years ending on or after November 15, 2004.
Conforming Amendments to PCAOB Interim Standards Resulting From the Adoption of PCAOB Auditing Standard No. 2, "An Audit of Internal Control Over Financial Reporting Performed in Conjunction With an Audit of Financial Statements"	Effective for integrated audits of financial statements at the same time as Auditing Standard No. 2. Effective for audits of only financial statements for periods ending on or after July 15, 2005.
IASB/IFRIC	**Status**
Upcoming Adoption Dates	
IFRS 5, *Non-current Assets Held-for-Sale and Discontinued Operations*	Effective for annual periods beginning on or after January 1, 2005.
IFRS 4, *Insurance Contracts*	Effective for annual periods beginning on or after January 1, 2005.
IFRS 3, *Business Combinations*	Effective for business combinations for which the agreement date is on or after March 31, 2004.
IFRS 2, *Share-based Payment*	Effective for annual periods beginning on or after January 1, 2005.
Amendment to IAS 39, *Financial Instruments: Recognition and Measurement*	Effective for annual periods beginning on or after January 1, 2005.
Amendment to IAS 32, *Financial Instruments: Disclosure and Presentation*	Effective for annual periods beginning on or after January 1, 2005.
Improvements to International Accounting Standards	Effective for annual periods beginning on or after January 1, 2005.
IFRIC Interpretation 1, *Changes in Existing Decommissioning, Restoration and Similar Liabilities*	Effective for annual periods beginning on or after September 1, 2004.

IASB/IFRIC	Status
Projects in Exposure Draft Stage	
Amendment to IAS 39, *Financial Instruments: Recognition and Measurement: Transition and Initial Recognition of Financial Assets and Financial Liabilities*	Comments due October 8, 2004.
Amendment to IAS 39, *Financial Instruments: Recognition and Measurement: Cash Flow Hedge Accounting of Forecast Intragroup Transactions*	Comments due October 8, 2004.
Amendment to IAS 39, *Financial Instruments: Recognition and Measurement: Financial Guarantee Contracts and Credit Insurance*	Comments due October 8, 2004.
ED 7, *Financial Instruments: Disclosures* (replaces IAS 30, *Disclosures in the Financial Statements of Banks and Similar Financial Institutions,* and the disclosure requirements in IAS 32, *Financial Instruments: Disclosure and Presentation*)	Comments due October 22, 2004.

Appendix B: Abbreviations

AcSEC	Accounting Standards Executive Committee
AICPA	American Institute of Certified Public Accountants
APB	Accounting Principles Board
ARB	Accounting Research Bulletin
EITF	Emerging Issues Task Force
FASB	Financial Accounting Standards Board
FIN	FASB Interpretation
FSP	FASB Staff Position
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFAC	International Federation of Accountants
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
MD&A	Management's Discussion & Analysis
NCGA	National Council on Governmental Accounting
PCAOB	Public Company Accounting Oversight Board
SAB	Staff Accounting Bulletin
SEC	Securities and Exchange Commission
SFAS	Statement of Financial Accounting Standards
SOP	Statement of Position
TPA	Technical Practice Aid

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