

Accounting Roundup

Audit and Enterprise Risk Services

April 29, 2005

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FASB Developments

FASB Issues Proposed FSP FAS 150-e

On April 18, 2005, the FASB issued proposed FASB Staff Position No. FAS 150-e, "Issuer's Accounting Under Statement 150 for Freestanding Warrants and Other Similar Instruments on Shares That Are Redeemable." The proposed FSP concludes the following:

- Freestanding warrants and other similar instruments on shares that are either puttable or mandatorily redeemable would be subject to the requirements of paragraph 11 of FASB Statement No. 150, *Accounting for Certain Financial Instruments With Characteristics of Both Liabilities and Equity*, regardless of the timing of the redemption feature or the redemption price. Therefore, paragraph 11 applies to warrants on shares that are redeemable immediately after exercise of the warrants and also to those that are redeemable at some date in the future.
- The phrase *requires or may require* in paragraph 11 encompasses instruments that either conditionally or unconditionally obligate the issuer to transfer assets. If the obligation is conditional, the number of conditions leading up to the transfer of assets is irrelevant.
- Warrants for both (1) puttable shares and (2) mandatorily redeemable shares conditionally obligate the issuer to ultimately transfer assets. Thus, even though the number of conditions leading up to the possible transfer of assets differs, warrants for both puttable and mandatorily redeemable shares are considered liabilities under paragraph 11 of Statement 150.
- The guidance in this proposed FSP is applicable to options or similar instruments on redeemable shares that are no longer subject to FASB Statement No. 123(R), *Share-Based Payment*.

Accounting Roundup is prepared by the National Office Accounting Standards and Communications Group of Deloitte & Touche LLP ("Deloitte & Touche"). The purpose of this publication is to briefly describe key regulatory and professional developments that have recently occurred in the field of accounting and to provide links to locations where additional information can be found on each topic. Readers seeking additional information about a topic should review the information referred to in the hyperlinks and not rely solely on the descriptions included in this communication.

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The proposed FSP would be applied in the first reporting period beginning after the date the FSP is finalized. If the guidance results in changes to previously reported information, the cumulative effect should be reported according to the transition provisions of Statement 150 during the first period beginning after the final FSP is posted to the FASB's Web site.

The [proposed FSP](#) is available on the FASB's Web site. The comment period ends June 2, 2005.

DIG Issues Proposed Implementation Guidance on FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities

On April 13, 2005, the DIG released proposed Statement 133 Implementation Issues No. B38, "Embedded Derivatives: Evaluation of Net Settlement With Respect to the Settlement of a Debt Instrument Through Exercise of an Embedded Put Option or Call Option" and No. B39, "Embedded Derivatives: Application of Paragraph 13(b) to Call Options That Are Exercisable Only by the Debtor."

The proposed guidance in Implementation Issue B38 states that the potential settlement of a debtor's obligation to a creditor that would occur upon exercise of an embedded put option or call option meets the net settlement criterion in paragraph 9(a) of Statement 133. Thus, if all the criteria in paragraph 12 are met, the embedded put or call option should be bifurcated from the debt host contract and accounted for separately under the provisions of Statement 133. This guidance would also apply when analyzing (1) a freestanding call option by the debtor on its own debt instrument and (2) a freestanding put option issued by the debtor on its own debt instrument.

If an entity had not bifurcated an embedded derivative but is required to do so under the proposed guidance in Implementation Issue B38 (taking into consideration the guidance in Implementation Issue B39), then the entity should account for the effects of initially complying with the implementation guidance in Implementation Issue B38 prospectively for all existing financial instruments. Existing contracts that qualify for the grandfathering provisions of paragraph 50 of Statement 133, which exempts certain hybrid instruments from the embedded derivative provisions on an all or none basis, are excluded from the scope of this Issue. The effects of initially applying the guidance in Implementation Issue B38 should be reported as a cumulative effect adjustment to net income.

The proposed guidance in Implementation Issue B38 states that the conditions in paragraph 13(b) of Statement 133 do not apply to an embedded call option in a hybrid instrument containing a debt host contract if the right to accelerate the settlement of the debt can be exercised only by the debtor (issuer/borrower). This is because the conditions in paragraph 13(b) were intended to apply only to situations (i) that meet

the two conditions specified in paragraphs 13(b)(1) and 13(b)(2) and (ii) in which the investor has the unilateral ability to obtain the right to receive the high rate of return specified in those paragraphs. In this situation, the debtor (not the investor) is the holder of an embedded call option; therefore, only the debtor can exercise the option. As a result, the investor does not have the unilateral ability to obtain the right to receive the high rate of return specified in paragraph 13(b) of Statement 133.

The guidance in Implementation Issue B39 does not apply to other embedded derivative features that may be present in the same hybrid instrument. It also does not affect the application of the condition in paragraph 13(a) of Statement 133 or the application of the provisions of paragraph 61(d) of Statement 133 as interpreted by Statement 133 Implementation Issue No. B16, "Embedded Derivatives: Calls and Puts in Debt Instruments."

If an entity had bifurcated an embedded derivative but is no longer required to do so under the guidance in Implementation Issue B39, then the entity should account for the effects of initially complying with the implementation guidance prospectively for all existing financial instruments. The carrying amount of the related hybrid instrument at the effective date of this guidance should be the sum of the carrying amount of the host contract and the fair value of the previously bifurcated embedded derivative.

The guidance provided in proposed Implementation Issues B38 and B39 is tentative until it is formally cleared by the FASB and incorporated in a FASB Staff Implementation Guide. The guidance would be effective the first day of the first fiscal quarter beginning after September 15, 2005. Earlier application, as of the beginning of a fiscal quarter, is permitted provided that early application as of the same date is elected for both Implementation Issues.

[Proposed Implementation Issue B38](#) and [proposed Implementation Issue B39](#) are available on the FASB's Web site. The comment period ends May 18, 2005.

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 meetings at which respective issues were discussed.

Beneficial Interests (April 13)

The Board tentatively decided not to require incremental disclosures in regard to the Board's decision to allow a fair value option election for hybrid financial instruments with

embedded derivatives that otherwise would require bifurcation. The Board also tentatively decided that the decisions reached in the beneficial interests project should be applied prospectively to new transactions. The measurement provisions would be effective at the earlier of fiscal years beginning after December 15, 2005, or fiscal years beginning during the quarter in which the final Statement on this topic is issued.

FASB Technical Plan (March 30)

The Board discussed and approved for publication its technical plan for the six-month period from April 1, 2005, through September 30, 2005. The [technical plan](#) is available on the FASB's Web site.

The Board also added to its agenda a project that will provide guidance on the variability that should be considered when determining whether an interest is a variable interest in a potential variable interest entity.

Fair Value Option (March 30)

The Board tentatively decided that no eligibility criteria should be imposed on the election of the fair value option. The broad availability of this option is more consistent with the fundamental objectives of the project. However, in considering whether to establish any scope exceptions, the Board tentatively decided that the fair value option cannot be elected for the following financial assets and financial liabilities:

- *Subsidiaries* — An investment that would otherwise be consolidated (i.e., an investment in a subsidiary).
- *Employee Benefits* — Employers' and plans' financial obligations for pension benefits, other postretirement benefits (including health care and life insurance benefits), postemployment benefits, employee stock option and stock purchase plans and other forms of deferred compensation arrangements.
- *Leases* — Financial liabilities recognized under lease contracts as defined in FASB Statement No. 13, *Accounting for Leases*. This does not include a contingent obligation arising out of a cancelled lease and a guarantee of a third-party lease obligation.

Financial Instruments: Derivatives Implementation (April 13)

The Board tentatively decided to issue a technical revision to Statement 133 Implementation Issue No. B16, "Embedded Derivatives: Calls and Puts in Debt Instruments." The examples in the Implementation Issue are being revised to only comment on whether the embedded put or call is clearly and closely related to the host contract, thereby requiring further analysis under paragraphs 12(b) and 12(c) to determine if the embedded put or call is required to be bifurcated and accounted for separately. The revisions would be posted at the

same time the Board gives final clearance for posting Implementation Issues B38 and B39.

Financial Instruments: Liabilities and Equity (April 6, March 30)

The Board made the following tentative conclusions related to classification of single component instruments.

- *Perpetual Instruments* — Perpetual instruments would be classified as equity even if they do not meet the criteria to be direct ownership instruments.
- *Consolidated Entity Evaluation* — Settlement requirements of all instruments should be reevaluated at the consolidated entity level to determine the classification of those instruments by that entity. For example, perpetual instruments of a consolidated subsidiary would not be equity in the consolidated financial statements of the parent entity unless those instruments would be perpetual (or direct ownership instruments) of that reporting entity.
- *Liquidation Provisions* — A holder's claim on an entity's net assets can neither be limited nor guaranteed (either before or at liquidation) to meet one of the two necessary criteria of a direct ownership instrument.
- *Nonpublic Entities* — Instruments of nonpublic entities that are redeemable at an entity's book value or other value representing fair value would not represent a limited claim. Therefore, those instruments would be classified as equity if they otherwise qualify as a direct ownership instrument.

The Board also discussed issues relating to the classification of indirect ownership instruments and made the following tentative conclusions:

- *Indexed to Direct Ownership Instrument* — An indirect ownership instrument must be indexed to a direct ownership instrument and settled with that same instrument to be classified as equity; otherwise, it should be classified as a liability or asset.
- *Subsidiary Ownership Interests* — From the perspective of the subsidiary and other entities in a consolidated group, shares of a parent entity, or other subsidiaries of that parent, would not be considered shares of the standalone subsidiary.

These Board decisions should result in liability classification for (a) instruments indexed to one class of shares and settled with a different class of shares and (b) instruments indexed to a subsidiary's shares and settled with the parent entity's shares.

GAAP Hierarchy (March 30)

The Board tentatively decided that the Exposure Draft of the proposed Statement on the hierarchy of generally accepted accounting principles should provide the types of documents that make up the sources of category (a) through (d) accounting principles, as set forth in paragraph 10 of AICPA

Statement on Auditing Accounting Standards No. 69, *The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles in the Independent Auditor's Report*. The Board also tentatively decided that Statement 133 Implementation Issues, issued by the Derivatives Implementation Group, and FASB Staff Positions should be sources of category (a) accounting principles.

Qualifying Special-Purpose Entities (QSPE) and Isolation of Transferred Assets (April 13, March 23)

The Board tentatively decided the following relating to derecognition of a portion of a financial asset:

- *Proportionate Share* — To adopt an approach that would allow the derecognition criteria in paragraph 9 of FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, to be met for a portion of a financial asset if that portion represents a proportionate share of an original asset and there is no recourse to the transferor or subordination.
- *Transition Method* — The derecognition provisions for a transfer of a portion of a financial asset should be applied prospectively in the following manner:
 - *Public Companies* — Applied to all transfers of financial assets occurring after the end of the first fiscal quarter that begins after the issuance of the final Statement.
 - *Private Companies* — Applied to all transfers that occur in the first fiscal year that begins after the issuance of the final Statement.

Participating interests represent the remaining portion of a financial asset if only a portion of a financial asset is transferred. The Board tentatively decided the following relating to participating interests:

- *Definition* — A participating interest is defined as proportionate ownership of the cash flows of the original financial asset that does not involve recourse or subordination by any party to the transaction and is an interest in a single, original financial asset.
- *Measurement* — A participating interest retained by the transferor would not be considered a new financial asset and should initially be measured at allocated carryover basis.
- *Paragraph 9 of Statement 140* — Each resulting participating interest must meet all of the conditions of paragraph 9 of Statement 140 (in particular, condition 9(b)).
- *Impact of Not Meeting the Criteria of a Participating Interest* — If a portion of a financial asset does not meet the criteria of a participating interest, then the whole asset must be transferred to a QSPE. The resulting interests from a QSPE would be called beneficial interests and the derecognition criteria in paragraph 9 would be applied to the entire original asset. Beneficial interests held by the transferor would be considered new financial assets that

should be initially measured at fair value.

- *Benefits of Setoff or Other Dilutive Rights* — The Board also tentatively agreed not to require that a transferor pass through benefits of setoff or other dilutive rights to transferees in order to achieve sale accounting.

The measurement provisions would be effective at the earlier of fiscal years beginning after December 15, 2005, or fiscal years beginning during the quarter in which the final Statement on this topic is issued.

Ratification of EITF Consensus (March 30)

The Board ratified the Task Force's consensus on EITF Issue No. 04-6, "Accounting for Stripping Costs Incurred during Production in the Mining Industry."

Risk Transfer in Insurance and Reinsurance Contracts (April 6)

The Board decided to add a project to its agenda to consider risk transfer in insurance and reinsurance contracts. The project will include developing a definition of insurance contracts by codifying and enhancing current guidance and exploring simplified approaches to bifurcating insurance contracts.

Servicing Rights (April 13)

The Board tentatively decided to require that the initial measurement of all servicing rights at fair value be applied prospectively to new servicing rights recognized. The option to subsequently measure servicing rights at fair value should be applied prospectively to (1) all new servicing rights recognized after the election to subsequently measure at fair value is made and (2) all existing servicing rights on the date the election is made, with a cumulative effect adjustment to reflect existing servicing rights at fair value upon election. The measurement provisions would be effective at the earlier of fiscal years beginning after December 15, 2005, or fiscal years beginning during the quarter in which the final Statement on this topic is issued.

The Board also tentatively decided to include a question in the exposure draft that will ask constituents whether they believe entities should be permitted, in conjunction with the adoption of the final Statement, to transfer all securities from the available-for-sale category to the trading category without calling into question an entity's treatment of such securities under FASB Statement No. 115, *Accounting for Certain Investments in Debt and Equity Securities*.

Short-Term Convergence: Income Taxes (March 23)

The Board considered certain differences between the provisions of FASB Statement No. 109, *Accounting for Income Taxes*, and IAS 12, *Income Taxes*, related to the tax rate to be used in measuring deferred tax assets and liabilities. In situations where income is taxed at different rates depending

on whether that income is distributed to shareholders, the Board tentatively concluded that to the extent that there is an obligation to distribute a portion of that income, any deferred tax assets or liabilities related to that portion should be remeasured using the distributed rate. All other portions should be measured based on the undistributed rate.

In determining the point at which deferred tax assets and liabilities should be adjusted for the effect of a change in tax laws or rates, the Board made the following tentative decisions:

- *U.S. Jurisdictions* — Operations within U.S. taxing jurisdictions should follow the guidance in Statement 109, which requires the effect of the change in tax laws or rates be recognized in the period of enactment.
- *Non-U.S. Jurisdictions* — Operations outside of U.S. taxing jurisdictions should follow the guidance under IAS 12, which requires that deferred tax assets and liabilities be measured based on tax laws or rates that have been enacted or substantively enacted by the balance sheet date.

The Board requested that the IASB consider if similar wording could be added to IAS 12. That is, for operations (including subsidiaries) within U.S. taxing jurisdictions that apply IAS, changes in the U.S. tax laws or tax rates should be reflected when they are enacted.

Stable Value Investments (March 23)

The Board concluded that a fully benefit-responsive investment contract should be accounted for at contract value if held by an investment company established under a trust whereby (1) the trust itself must be adopted as part of one or more qualified employer sponsored defined-contribution plans (including both health and welfare benefit plans or pension plans) and (2) the employee has the primary responsibility for directing his or her own investment allocations within the plan.

The Board also made the following tentative decisions:

- *Balance Sheet at Contract Value of Combined Instrument* — Investments that underlie the wrapper agreement should be combined with the wrapper contract on the balance sheet and reported at an amount equal to the contract value.
- *Disclosure of Fair Value* — The combined fair value of the wrapper and the investment should be disclosed parenthetically on the face of the balance sheet.
- *Footnote Disclosures* — Only the wrapper contract should be reported in the footnotes at its fair value. The Board also agreed with the staff's proposed enhanced quantitative and qualitative disclosures, with some minor suggestions and revisions.

The Board will discuss a proposed FSP at a future meeting

that will address the definition of "fully benefit-responsive" and certain disclosures.

Useful Life and Amortization of Intangible Assets (April 6)

The Board reconsidered certain aspects of FASB Statement No. 142, *Goodwill and Other Intangible Assets*, as they relate to the determination of the useful life and amortization of intangible assets. The Board made the following tentative conclusions:

- *Amortization Methodology* — An amortization methodology that reflects the "pattern of economic benefit" to the reporting entity should not be developed.
- *Renewable Asset* — A renewable intangible asset comprises a single asset.
- *Scope* — The scope of this project should be limited to intangible assets.

The Board has not clarified whether the scope of this project includes all intangible assets or just renewable intangibles. The Board asked the staff to develop a model for the single-asset approach that would include a reconsideration of the residual value guidance in paragraph 13 of Statement 142. The Board also requested that the staff specifically address measurement and impairment issues associated with this proposed model.

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.

EITF Developments

EITF Issues Proposed Amendment to EITF Issue No. 96-16, “Investor’s Accounting for an Investee When the Investor Has a Majority of the Voting Interest but the Minority Shareholder or Shareholders Have Certain Approval or Veto Rights”

In April 2005, the FASB issued proposed amendments to Issue 96-16 based on the tentative conclusion reached at the March EITF meeting on EITF Issue No. 04-5, “Determining Whether a General Partner, or the General Partners as a Group, Controls a Limited Partnership or Similar Entity When the Limited Partners Have Certain Rights.” The proposed amendments would conform the guidance in Issue 96-16 to the guidance in the tentative conclusion on Issue 04-5 as to whether minority shareholder rights to veto acquisitions and dispositions of assets greater than 20 percent of the fair value of the investee’s total assets may be substantive participating rights. The Task Force will consider the comments received on the proposed amendments, including transition alternatives, in conjunction with its deliberations on reaching a final consensus on Issue 04-5 at the June EITF meeting.

The [proposed amendment](#) is available on the FASB’s Web site. The comment period ends May 6, 2005.

Further information about the EITF can be found on the FASB’s Web site, www.fasb.org/eitf.

GASB Developments

GASB Issues Concepts Statement No. 3, *Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements*

On April 11, 2005, the GASB issued Concepts Statement 3 to clarify within the framework of general purpose external financial reporting the relationship between the basic financial statements, the notes to the basic financial statements, and the supporting information presented with the basic financial statements. It provides a conceptual basis for selecting communication methods to present items of information within general purpose external financial reports that contain basic financial statements.

GASB Concepts Statement 3 also addresses the necessary elements for the effective communication of relevant and reliable messages within financial reports. This includes a clarification of the roles and responsibilities of the preparer, the user, and the GASB regarding the effective communication of information.

A [related press release](#) is available on the GASB’s Web site.

GASB Issues Preliminary Views on *Accounting and Reporting for Pollution Remediation Obligations*

On March 25, 2005, the GASB released a Preliminary Views (PV) document that contains the Board’s preliminary views on the accounting and financial reporting standards for pollution remediation obligations. Pollution remediation obligations are obligations to address the correct or potential detrimental effects of existing pollution by participating in pollution remediation activities, such as site assessments and cleanups.

The PV document states that once any one of five specified obligating events occurs, governments would be required to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, in limited circumstances, capitalized when goods and services are acquired. Obligating events include the following:

- Occurrence of an imminent endangerment that compels the government to take pollution remediation action,
- Violation by the government of a pollution prevention-related permit or license,
- Being aware of evidence indicating that the government will be named by a regulator as a responsible party or potentially responsible party for remediation,
- Being aware of evidence indicating that the government will be sued for pollution remediation, and
- Voluntary commencement of pollution remediation.

If a government cannot reasonably estimate the range of all components of the liability, it would recognize the liability as the ranges of each component (for example, legal services, site investigation, or required post-remediation monitoring) become reasonably estimable. The PV document proposes a series of recognition benchmarks that governments should consider in determining when components of pollution remediation liabilities are reasonably estimable. The PV document also provides for remeasurement of the liability and its components when new information indicates a change in the estimated outlays.

The PV document states that pollution remediation obligations could only be capitalized if the outlays are incurred (1) to prepare property for sale in anticipation of a sale, (2) to prepare property for use when the property was acquired with known or suspected pollution that was expected to be remediated, or (3) to perform pollution remediation that restores a pollution-caused decline in service utility that was recognized as an asset impairment. The PV document notes that most pollution remediation outlays do not qualify for capitalization.

The provisions of the PV document would be applied retroactively. The [PV document](#) is available on the GASB’s Web site. The comment period ends June 24, 2005.

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

Conclusions of the GASB 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 GASB are determined only after extensive deliberation and due process including a formal vote to issue a Statement or Interpretation.

AICPA Developments

Recent AcSEC Meeting

At its April 19-20, 2005, meeting AcSEC discussed the following projects:

Airline Audit and Accounting Guide

AcSEC reached certain tentative conclusions on the following issues:

- Accounting for maintenance revenues received by regional airlines under fixed rate contracts, and
- Accounting for lease return costs in the context of engine swaps.

Healthcare Organization Audit and Accounting Guide

AcSEC reached certain tentative conclusions on the following issues:

- Gross versus net reporting for Administrative Services Only Organizations and Health Maintenance Organizations,
- Measurement of medical malpractice and other insurance-related liabilities,
- Grouping of contracts for purposes of loss recognition,
- Revenue recognition, and
- Use of cash flow hedge accounting for swaps involving auction-rate debt.

Proposed Statement of Position on Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection With Modifications and Exchanges of Insurance Contracts

AcSEC agreed to finalize the SOP subject to the Chair's final clearance. It is expected that the final SOP will be issued in June 2005 and be effective for years beginning after December 15, 2006.

Private Company Financial Reporting Study

Results of the private company financial reporting study were presented to the AcSEC. The results showed that a

majority of private companies and practitioners believe that private companies should be allowed to apply a different set of accounting principles. External stakeholders showed less support for differential reporting. AcSEC members' reactions on providing private companies a different set of GAAP were mixed.

Real Estate Investment Funds Project

Members of the Real Estate Investment Funds Task Force provided an educational session to AcSEC to discuss the following issues:

- Application of the Investment Company Guide to real estate investment funds, excluding REITs,
- Use of consolidation or equity method for real estate investments,
- Recognition of net investment income,
- Accounting for notes payable, and
- Disclosure of investment information.

SEC Developments

SEC Issues Final Rule, *First-Time Application of International Financial Reporting Standards*

On April 12, 2005, the SEC issued a final rule to adopt amendments to Form 20-F to provide a one-time accommodation relating to financial statements prepared under IFRS for foreign private issuers registered with the SEC. This accommodation will apply to foreign private issuers that adopt IFRS prior to or for the first financial year starting on or after January 1, 2007. The rule includes the following guidance:

- *Comparative Financial Statements* — The accommodation will allow eligible foreign private issuers for their first year of reporting under IFRS to file two years rather than three years of statements of income, changes in shareholders' equity, and cash flows prepared in accordance with IFRS, with appropriate related disclosure.
- *Reconciliation* — The accommodation will retain current requirements regarding the reconciliation of financial statement items to U.S. GAAP.
- *Disclosures* — Certain disclosures will be required of all foreign private issuers that change their basis of accounting to IFRS.

The [rule](#) is available on the SEC's Web site.

SEC Issues Amendment to Rule 4-01(a) of Regulation S-X Regarding the Compliance Date for FASB Statement No. 123(R)

Effective April 21, 2005, the SEC amended Regulation S-X to modify the date for compliance with Statement 123(R). The revised compliance dates are summarized below:

- *Other Than Small Business Issuers* — The provisions of Statement 123(R) must be applied beginning with the first interim or annual reporting period of the registrant's first fiscal year beginning on or after June 15, 2005.
- *Small Business Issuers* — The provisions of Statement 123(R) must be applied beginning with the first interim or annual reporting period of the registrant's first fiscal year beginning on or after December 15, 2005.

The [amendment](#) is available on the SEC's Web site.

SEC Roundtable on Implementation of Internal Control Reporting Provisions

On April 13, 2005, the SEC moderated a Roundtable discussion on the implementation of internal control reporting provisions featuring a broad range of stakeholders involved with internal control reporting. The Roundtable covered the following topics:

- First year efforts,
- Reporting to the public,
- Planning and design,
- Documentation and testing of internal control over financial reporting,
- The use of judgment in communications and conclusions, and
- Next steps.

[Additional information](#) about the Roundtable discussion, including an archived webcast, is available on the SEC's Web site.

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

PCAOB Developments

PCAOB Issues Proposed Standard on Reporting on the Elimination of a Material Weakness

On March 31, 2005, the PCAOB issued a proposed standard that would apply when auditors report on the elimination of a material weakness in a company's internal control over financial reporting. The proposed standard would establish a stand-alone, voluntary engagement that would be performed at the election of the company.

The [proposed standard](#) is available on the PCAOB's Web site. The comment period ends May 16, 2005.

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

International Developments

IASB Amends Hedge Accounting Provisions

On April 14, 2005, the IASB issued an amendment to IAS 39, *Financial Instruments: Recognition and Measurement*, to permit the foreign currency risk of a highly probable intragroup forecast transaction to qualify as a hedged item in the consolidated financial statements. In order to qualify, the transaction must be denominated in a currency other than the functional currency of the entity entering into the transaction and the foreign currency risk must affect the consolidated financial statements. The amendment also states that if a hedge of a forecasted intragroup transaction qualifies for hedge accounting, then any gain or loss recognized directly in equity (in accordance with the hedge accounting rules of IAS 39) must be reclassified into profit or loss in the same period or periods during which the foreign currency risk of the hedged transaction affects the consolidated profit or loss.

The amendment is effective for annual periods beginning on or after January 1, 2006. A [related press release](#) is available on the IASB's Web site.

Comment Period Extended for IFRIC Draft Interpretations on Service Concession Arrangements

On April 7, 2005, the IFRIC extended the comment period to May 31, 2005, on three draft Interpretations related to service concession arrangements. Constituents requested the extension when it was determined that certain matters addressed in the Interpretations may have consequences for entities outside the concession industry.

A [related press release](#) is available on the IASB's Web site.

IASB Issues Staff Questionnaire on Recognition and Measurement Principles for Small Entities

On April 8, 2005, the IASB published a staff questionnaire regarding possible modifications to the recognition and measurement principles in IFRS for use in IASB standards for small and medium-sized entities (SMEs). For this purpose, SMEs are entities that do not have public accountability and publish general purpose financial statements for external users. The IASB plans to hold public roundtable meetings, tentatively planned for September 2005, with preparers and users of financial statements of SMEs to discuss possible modifications.

Recent IASB Meeting

The IASB discussed the following topics at its meeting on April 19, 2005:

- IAS 39, *Financial Instruments: Recognition and Measurement* — The Fair Value Option
- IFRS 6, *Exploration for and Evaluation of Mineral Resources* — Clean-up Issue
- Educational Sessions
 - o Extractive Industries
 - o Insurance Contracts
- Financial Guarantee Contracts and Credit Insurance
- Short-term Convergence — Taxes
- IFRIC Update

[Summaries of the meetings](#) are available on the IASB's Web site. The [observer notes](#) and IASB staff presentations made at the meetings are available on the IASB's Web site. A [summary of the IASB meeting decisions and discussions](#) also 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 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, including a formal vote by written ballot to issue an IFRS or Interpretation.

Appendix A: Significant Adoption Dates and Deadlines

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

FASB	Status
Upcoming Adoption Dates	
Statement 153, <i>Exchanges of Nonmonetary Assets</i> , an amendment of APB Opinion No. 29	Effective for nonmonetary asset exchanges occurring in fiscal periods beginning after June 15, 2005.
Statement 152, <i>Accounting for Real Estate Time-Sharing Transactions</i> , an amendment of FASB Statements No. 66 and 67	Effective for fiscal years beginning after June 15, 2005.
Statement 151, <i>Inventory Costs</i> , an amendment of ARB No. 43, Chapter 4	Effective for inventory costs incurred during fiscal years beginning after June 15, 2005. Earlier application is permitted for inventory costs incurred during fiscal years beginning after November 23, 2004.
Statement 123(R), <i>Share-Based Payment</i>	Effective for public entities (other than those filing as small business issuers) as of the first interim or annual reporting period that begins after June 15, 2005. Public entities that file as small business issuers will be required to apply Statement 123(R) in the first interim or annual reporting period that begins after December 15, 2005. Nonpublic entities will be required to apply Statement 123(R) in the first annual reporting period that begins after December 15, 2005. [Note: See SEC Rule regarding the compliance date for Statement 123(R).]
Interpretation 47, <i>Accounting for Conditional Asset Retirement Obligations</i>	Effective as of the end of fiscal years ending after December 15, 2005.
Interpretation 46(R), <i>Consolidation of Variable Interest Entities</i>	<p><u>Public companies that are not small business issuers:</u></p> <ul style="list-style-type: none"> – Provisions of Interpretation 46(R) currently are effective. <p><u>Small Business Issuers:</u></p> <ul style="list-style-type: none"> – For interests in SPEs, Interpretation 46 or Interpretation 46(R) must be applied no later than for financial statements ending after December 15, 2003. – For interests in all entities, Interpretation 46(R) must be applied no later than for financial statements ending after December 15, 2004. <p><u>Nonpublic Entities:</u></p> <ul style="list-style-type: none"> – Interpretation 46(R) must be applied by the beginning of the first annual period beginning after December 15, 2004. <p>For guidance related to foreign private issuers, refer to the SEC’s Letter to AICPA Regarding Interpretation 46(R) Effective Date Provisions With Regard to Foreign Private Issuers on the SEC’s Web site.</p>
FSP FIN 46(R)-5, “Implicit Variable Interests Under FASB Interpretation No. 46(R), <i>Consolidation of Variable Interest Entities</i> ”	Effective in the first reporting period beginning after March 3, 2005, for entities that have adopted Interpretation 46(R). For all other entities, effective in accordance with the effective dates of Interpretation 46(R).
FSP FIN 46(R)-4, “Technical Correction of FASB Interpretation No. 46(R), <i>Consolidation of Variable Interest Entities</i> , Relating to Its Effects on Question No. 12 of EITF Issue No. 96-21, ‘Implementation Issues in Accounting for Leasing Transactions Involving Special-Purpose Entities’”	The guidance should be applied in accordance with the effective dates of Interpretation 46(R).

FSP FIN 46(R)-3, "Evaluating Whether as a Group the Holders of the Equity Investment at Risk Lack the Direct or Indirect Ability to Make Decisions About an Entity's Activities Through Voting Rights or Similar Rights Under FASB Interpretation No. 46(R), <i>Consolidation of Variable Interest Entities</i> "	The guidance should be applied in accordance with the effective dates of Interpretation 46(R).
FSP FIN 46(R)-2, "Calculation of Expected Losses Under FASB Interpretation No. 46(R), <i>Consolidation of Variable Interest Entities</i> "	The guidance should be applied in accordance with the effective dates of Interpretation 46(R).
FSP FIN 46(R)-1, "Reporting Variable Interests in Specified Assets of Variable Interest Entities as Separate Variable Interest Entities Under Paragraph 13 of FASB Interpretation No. 46(R), <i>Consolidation of Variable Interest Entities</i> "	The guidance should be applied in accordance with the effective dates of Interpretation 46(R).
FSP FAS 19-1, "Accounting for Suspended Well Costs"	Effective for the first reporting period beginning after April 4, 2005.
FSP FAS 97-1, "Situations in Which Paragraphs 17(b) and 20 of FASB Statement No. 97, <i>Accounting and Reporting by Insurance Enterprises for Certain Long-Duration Contracts and for Realized Gains and Losses From the Sale of Investments</i> , 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.
FSP FAS 109-2, "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision Within the American Jobs Creation Act of 2004"	Effective as of December 21, 2004.
FSP FAS 109-1, "Application of FASB Statement No. 109, <i>Accounting for Income Taxes</i> , to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004"	Effective as of December 21, 2004.
FSP FAS 142-2, "Application of FASB Statement No. 142, <i>Goodwill and Other Intangible Assets</i> , to Oil- and Gas-Producing Entities"	Effective for reporting periods beginning after September 2, 2004.
FSP FAS 150-3, "Effective Date, Disclosures, and Transition for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests Under FASB Statement No. 150, <i>Accounting for Certain Financial Instruments With Characteristics of Both Liabilities and Equity</i> "	Certain mandatorily redeemable shares are subject to the provisions of Statement 150 for the first fiscal period beginning after December 15, 2004. Other mandatorily redeemable shares are deferred indefinitely, but may be subject to classification or disclosure provisions of the Statement.
FSP EITF 85-24-1, "Application of EITF Issue No. 85-24, 'Distributors of Mutual Funds That Do Not Have a Front-End Sales Charge,' When Cash for the Right to Future Distribution Fees for Shares Previously Sold Is Received From Third Parties"	Effective for reporting periods beginning after March 11, 2005.
FSP EITF 03-1-1, "Effective Date of Paragraphs 10-20 of EITF Issue No. 03-1, 'The Meaning of Other-Than-Temporary Impairments and Its Application of Certain Investments'"	Effective as of September 30, 2004.
Statement 133 Implementation Issue No. G1, <i>Cash Flow Hedges: Hedging an SAR Obligation</i>	Revisions effective as of the beginning of the period in which the entity initially adopts Statement 123(R).
Statement 133 Implementation Issue No. E19, <i>Hedging-General: Methods of Assessing Hedge Effectiveness When Options Are Designated as the Hedging Instrument</i>	Revisions effective as of the beginning of the period in which the entity initially adopts Statement 123(R).

Statement 133 Implementation Issue No. E22, <i>Hedging — General: Accounting for the Discontinuance of Hedging Relationships Arising From Changes in Consolidation Practices Related to Applying FASB Interpretation No. 46 or 46(R)</i>	Effective as of the date of initial application of Interpretation 46 and/or Interpretation 46(R).
Statement 133 Implementation Issue No. C3, <i>Scope Exceptions: Exception Related to Share-Based Payment Arrangements</i>	Revisions effective as of the beginning of the period in which the entity initially adopts Statement 123(R).
Projects in Exposure Draft Stage	
Proposed FSP FAS 150-e, “Issuer’s Accounting Under Statement 150 for Freestanding Warrants and Other Similar Instruments on Shares That Are Redeemable”	Comments due June 2, 2005.
Proposed Statement 133 Implementation Issue No. B38, <i>Embedded Derivatives: Evaluation of Net Settlement With Respect to the Settlement of a Debt Instrument through Exercise of an Embedded Put Option or Call Option</i>	Comments due May 18, 2005.
Proposed Statement 133 Implementation Issue No. B39, <i>Embedded Derivatives: Application of Paragraph 13(b) to Call Options That Are Exercisable Only by the Debtor</i>	Comments due May 18, 2005.
EITF	Status
Upcoming Adoption Dates	
Issue 04-10, “Determining Whether to Aggregate Operating Segments That Do Not Meet the Quantitative Thresholds”	Effective at the same time as the proposed FSP FAS 131-a becomes final.
Issue 04-8, “The Effect of Contingently Convertible Instruments on Diluted Earnings per Share”	Effective for fiscal periods ending after December 15, 2004.
Issue 04-6, “Accounting for Stripping Costs Incurred During Production in the Mining Industry”	Effective for fiscal years beginning after December 15, 2005.
Issue 04-3, “Mining Assets: Impairment and Business Combinations”	Effective prospectively to business combination allocations and asset impairment tests completed after March 31, 2004.
Issue 04-2, “Whether Mineral Rights Are Tangible or Intangible Assets”	Effective for fiscal periods beginning after April 29, 2004.
Issue 04-1, “Accounting for Preexisting Relationships Between the Parties to a Business Combination”	Effective for business combinations completed and goodwill impairment tests performed in reporting periods beginning after October 13, 2004.
Issue 03-16, “Accounting for Investments in Limited Liability Companies”	Effective for fiscal periods beginning after June 15, 2004.
Issue 03-13, “Applying the Conditions in Paragraph 42 of FASB Statement No. 144, <i>Accounting for the Impairment or Disposal of Long-Lived Assets</i> , in Determining Whether to Report Discontinued Operations”	Effective for components either disposed of or classified as held for sale in fiscal periods beginning after December 15, 2004.
Issue 03-6, “Participating Securities and the Two-Class Method Under FASB Statement No. 128, <i>Earnings per Share</i> ”	Effective for fiscal periods beginning after March 31, 2004.
Issue 03-1, “The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments”	Paragraphs 6-9 effective for reporting periods beginning after June 15, 2004. The recognition and measurement guidance in paragraphs 10-20 of Issue 03-1 has been delayed. This delay will be superseded with the final issuance of FSP EITF Issue 03-1-a, which will provide implementation guidance for these paragraphs. The disclosure requirements in paragraphs 21-22 of Issue 03-1 remain effective.

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.
Topic D-108, "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.
Projects in Exposure Draft Stage	
Proposed Amendment to EITF Issue No. 96-16, "Investor's Accounting for an Investee When the Investor Has a Majority of the Voting Interest but the Minority Shareholder or Shareholders Have Certain Approval or Veto Rights"	Comments due May 6, 2005.
GASB	Status
Upcoming Adoption Dates	
GASB Statement No. 46, <i>Net Assets Restricted by Enabling Legislation, an amendment of Statement No. 34</i>	Effective for fiscal periods beginning after June 15, 2005.
GASB Statement No. 45, <i>Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions</i>	Effective in three phases based on a government's total annual revenues.
GASB Statement No. 44, <i>Economic Condition Reporting: The Statistical Section</i>	Effective for statistical sections prepared for periods beginning after June 15, 2005.
GASB Statement No. 43, <i>Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans</i>	Effective one year prior to the effective date of GASB Statement 45 for the employer in a single-employer plan or the largest participating employer in a multi-employer plan.
GASB Statement No. 42, <i>Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries</i>	Effective for fiscal periods beginning after December 15, 2004.
GASB Statement No. 40, <i>Deposit and Investment Risk Disclosures — an amendment of GASB Statement No. 3</i>	Effective for fiscal periods beginning after June 15, 2004.
GASB Technical Bulletin No. 2004-2, <i>Recognition of Pension and Other Postemployment Benefit (OPEB) Expenditures/Expense and Liabilities by Cost-Sharing Employers</i>	For pension transactions, effective for financial statements for periods ending after December 15, 2004, with earlier application encouraged. For OPEB transactions, the provisions would be applied simultaneously with the requirements of GASB Statement 45.
Projects in Exposure Draft Stage	
Preliminary Views, <i>Accounting and Financial Reporting for Pollution Remediation Obligations</i>	Comments due June 24, 2005.
AICPA/AcSEC	Status
Upcoming Adoption Dates	
SOP 04-2, <i>Accounting for Real Estate Time-Sharing Transactions</i>	Effective for fiscal years beginning after June 15, 2005, with early adoption encouraged.
SOP 03-3, <i>Accounting for Certain Loans or Debt Securities Acquired in a Transfer</i>	Effective for loans acquired in fiscal years beginning after December 15, 2004, with early adoption encouraged.

SEC	Status
Upcoming Adoption Dates	
Final Rule, <i>First-Time Application of International Financial Reporting Standards</i> (amendments to Form 20-F)	Rule will apply to foreign private issuers that adopt IFRS prior to or for the first financial year starting on or after January 1, 2007.
Amendment to Rule 4-01(a) of Regulation S-X Regarding the Compliance Date for Statement of Financial Accounting Standards No. 123 (Revised 2004), <i>Share-Based Payment</i>	Effective for public entities (other than those filing as small business issuers) as of the first interim or annual reporting period of the registrant's first fiscal year that begins after June 15, 2005. Public entities that file as small business issuers will be required to apply Statement 123(R) in the first interim or annual reporting period of the registrant's first fiscal year that begins after December 15, 2005.
Final Rule, <i>Asset-Backed Securities</i>	Effective as of March 8, 2005.
Final Rule, <i>Management's Report on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports</i> (an extension of compliance date)	Effective for fiscal years ending on or after November 15, 2004, for certain "accelerated filers." Effective for fiscal years ending on or after July 15, 2006, for "nonaccelerated filers." Effective for fiscal years ending on or after July 15, 2006, for foreign private issuers that file annual reports on forms 20-F or 40-F. For accelerated filers with (i) public equity float of less than \$700 million at the end of its second fiscal quarter in 2004; and (ii) fiscal years ending between November 15, 2004, and February 28, 2005, the filing date of management's report on internal control over financial reporting has been postponed 45 days.
SAB 107 Regarding the Interaction Between FASB Statement No. 123(R), <i>Share-Based Payment</i> , and Certain SEC Rules and Regulations	Effective upon the adoption of Statement 123(R).
SAB 106 Regarding the Application of FASB Statement No. 143, <i>Accounting for Asset Retirement Obligations</i> , 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 October 4, 2004.
Temporary Postponement of the Final Phase-In Period for Acceleration of Periodic Report Filing Dates	Effective as of December 23, 2004.
PCAOB	
Status	
Upcoming Adoption Dates	
Auditing Standard No. 3, <i>Audit Documentation</i>	Effective for audits of financial statements with fiscal years ending on or after November 15, 2004.
Auditing Standard No. 2, <i>An Audit of Internal Control Over Financial Reporting Performed in Conjunction With an Audit of Financial Statements</i>	Effective for audits of companies with fiscal years ending on or after November 15, 2004, for certain accelerated filers, or July 15, 2006, for other companies. For accelerated filers with (i) public equity float of less than \$700 million at the end of its second fiscal quarter in 2004; and (ii) fiscal years ending between November 15, 2004, and February 28, 2005, the filing date of management's report on internal control over financial reporting has been postponed 45 days.
Auditing Standard No. 1, <i>References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board</i>	Effective for financial reports issued or reissued on or after May 24, 2004.
<i>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"</i>	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.
Projects in Exposure Draft Stage	
Proposed Auditing Standard, <i>Reporting on the Elimination of a Material Weakness</i>	Comments due May 16, 2005.

IASB/IFRIC	Status
Upcoming Adoption Dates	
IFRS 6, <i>Exploration for and Evaluation of Mineral Resources</i>	Effective for annual periods beginning on or after January 1, 2006.
IFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>	Effective for annual periods beginning on or after January 1, 2005.
IFRS 4, <i>Insurance Contracts</i>	Effective for annual periods beginning on or after January 1, 2005.
IFRS 3, <i>Business Combinations</i>	Effective for business combinations for which the agreement date is on or after March 31, 2004.
IFRS 2, <i>Share-based Payment</i>	Effective for annual periods beginning on or after January 1, 2005.
Amendment to IAS 39, <i>Financial Instruments: Recognition and Measurement — Cash Flow Hedge Accounting of Forecast Intragroup Transactions</i>	Effective for annual periods beginning on or after January 1, 2006.
Amendment to IAS 39, <i>Financial Instruments: Recognition and Measurement</i>	Effective for annual periods beginning on or after January 1, 2005.
Amendment to IAS 32, <i>Financial Instruments: Disclosure and Presentation</i>	Effective for annual periods beginning on or after January 1, 2005.
Amendment to IAS 19, <i>Employee Benefits</i>	Effective for annual periods beginning on or after January 1, 2006.
Improvements to International Accounting Standards	Effective for annual periods beginning on or after January 1, 2005.
Amendment to SIC-12, <i>Consolidation — Special Purpose Entities</i>	Effective for annual periods beginning on or after January 1, 2005.
IFRIC Interpretation 5, <i>Rights to Interests Arising From Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	Effective for annual periods beginning on or after January 1, 2006.
IFRIC Interpretation 4, <i>Determining Whether an Arrangement Contains a Lease</i>	Effective for annual periods beginning on or after January 1, 2006.
IFRIC Interpretation 3, <i>Emission Rights</i>	Effective for annual periods beginning on or after March 1, 2005.
IFRIC Interpretation 2, <i>Members' Shares in Co-operative Entities and Similar Instruments</i>	Effective for annual periods beginning on or after January 1, 2005.
IFRIC Interpretation 1, <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	Effective for annual periods beginning on or after September 1, 2004.
Projects in Exposure Draft Stage	
IFRIC Draft Interpretation D12, <i>Service Concession Arrangements — Determining the Accounting Model</i>	Comments due May 31, 2005.
IFRIC Draft Interpretation D13, <i>Service Concession Arrangements — The Financial Asset Model</i>	Comments due May 31, 2005.
IFRIC Draft Interpretation D14, <i>Service Concession Arrangements — The Intangible Asset Model</i>	Comments due May 31, 2005.
IFRIC Draft Interpretation D15, <i>Reassessment of Embedded Derivatives</i>	Comments due May 31, 2005.

Appendix B: Abbreviations

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

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On May 17 at 2:00 PM EDT, we will host a 120-minute webcast on frequently asked questions about FASB Statement No. 123(R), *Share-Based Payment*. [Register](#) for this webcast today.

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