Deloitte's digest

An overview of standard-setting activities

January 31, 2014

At a time when it has become a difficult task to keep up to date with the recent developments in standard-setting activities, the Deloitte Digest presents a useful single source of reference for current financial reporting developments.

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Summary by standard

From time to time, standard-setters and regulators issue new rules and standards that affect your financial reporting. This document briefly describes these pronouncements and other regulatory and professional developments and indicates their effective date, transition application and entities affected.

At the time of publication, the external links included in this page were active. However, if the documents on the hosting site have been subsequently modified, moved or archived, these external links may no longer work. If you need to locate a specific document and/or external site listed on this page that is no longer active, please contact us.

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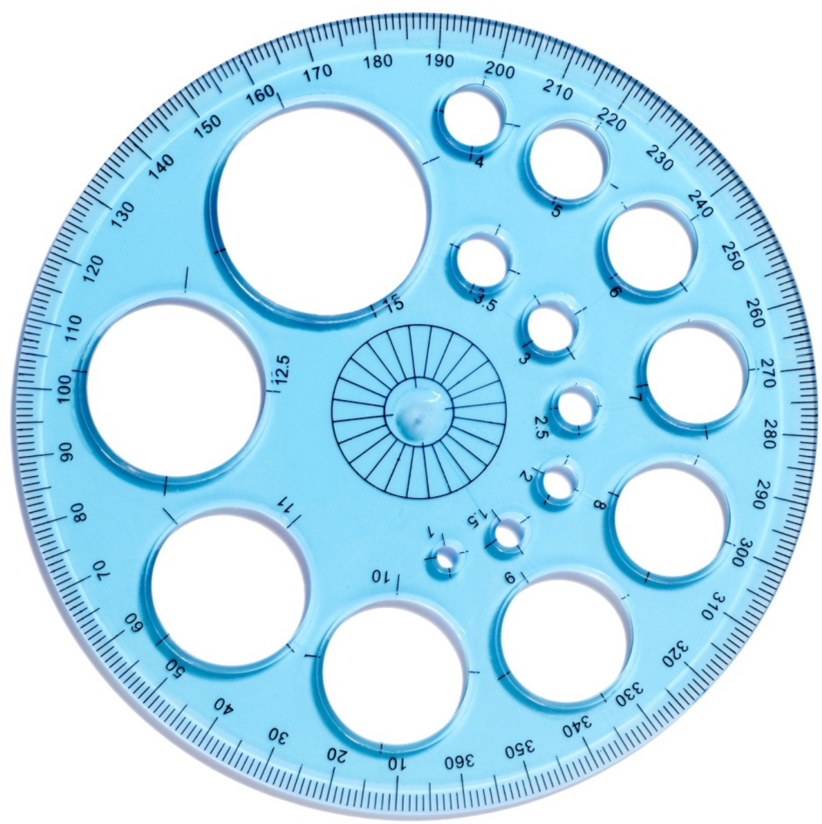
Final standards



IASB/AcSB Amendments to IAS 19, Defined Benefit Plans: Employee Contributions

Effective date: July 1, 2014 with earlier application permitted

Standard:	Amendments to IAS 19, Defined Benefit Plans: Employee Contributions
Transitional provisions:	Effective July 1, 2014 with earlier application permitted
Published by:	IASB and AcSB
Last updated:	November 2013
Applicable to:	All publicly accountable entities (and those other entities that choose to adopt IFRS)

Recent activities

On November 21, 2013, the IASB issued narrow scope amendments to IAS 19, *Employee Benefits*, entitled *Amendments to IAS 19, Defined Benefit Plans: Employee Contributions*.

In summary

Overview

The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

The issue originated from two submissions to the IFRS Interpretations Committee, which recommended that the IASB amend IAS 19.

Available resources and links

- IASB Press Release (November 2013)
- Deloitte IFRS in Focus (November 2013)
- IASB Project Summary

IASB /AcSB Amendments (2013) to IFRS 9, Financial Instruments

Effective date: There is now no mandatory effective date for IFRS 9 (2013); early adoption, however, continues to be permitted

Standard:	IFRS 9, Financial Instruments (2013)
Transitional provisions:	There is now no mandatory effective date for IFRS 9 (2013); early adoption, however, continues to be permitted.
Published by:	IASB and AcSB
Last updated:	December 2013
Applicable to:	All publicly accountable entities (and those other entities that choose to adopt IFRS)

Recent activities

At its meeting on December 3, 2013, the AcSB decided, subject to a written ballot, to incorporate into Part I of the CPA Canada Handbook these amendments to the accounting for financial instruments issued by the IASB. As a result, the amended guidance on hedge accounting and the other amendments to IFRS 9 set out below are expected to be issued and become part of Canadian GAAP in the first quarter of 2014.

On November 19, 2013, the IASB announced the completion of a package of amendments to the accounting requirements for financial instruments set out in IFRS 9, *Financial Instruments.*

In summary

Overview

The November 2013 amendments:(i) bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements; (ii) allow the changes to address the so-called 'own credit' issue that were already included in IFRS 9 to be applied in isolation without the need to change any other accounting for financial instruments; and (iii) remove the January 1, 2015 mandatory effective date of IFRS 9, to provide sufficient time for preparers of financial statements to make the transition to the new requirements. For details of these changes, refer to the Project Summary (November 2013) below, which has been prepared by the IASB staff.

Following these amendments, IFRS 9 continues to be available if entities choose to apply it and entities currently have a choice about which parts of IFRS 9 they apply. Entities can choose to apply: only the own credit requirements; only the classification and measurement requirements for financial assets; the classification and measurement requirements for financial assets and financial liabilities; or the classification and measurement requirements for financial assets and financial liabilities and the hedge accounting requirements.

The IASB is currently discussing some limited amendments to the classification and measurement requirements in IFRS 9 and is also discussing the expected credit loss impairment model to be included in IFRS 9. (It also has an active project related to Macro Hedging) See separate items. Once those deliberations are complete the IASB expects to publish a final version of IFRS 9 that will include all of the phases: Classification and Measurement; Impairment and Hedge Accounting. That version of IFRS 9 will include a new mandatory effective date which will be no earlier than for annual periods beginning on or after January 1, 2017.

Available resources and links

- IASB Press Release (November 2013)
- Project Summary (November 2013)
- Deloitte IFRS in Focus – Hedge Accounting Reforms (November 2013)

AcSB Adoption of IFRSs by Entities with Rate-regulated Activities

Effective date: Fiscal years commencing on or after January 1, 2015

Standard:	Amendment to the Introduction to Part I of the Handbook
Transitional provisions:	Eligible qualifying entities are permitted by the AcSB to defer mandatory adoption of IFRSs until fiscal years commencing on or after January 1, 2015.
Published by:	AcSB
Last updated:	November 2013
Applicable to:	Publicly accountable enterprises with rate-regulated activities

Recent activities

At its meeting on November 6-7, 2013, the AcSB decided, subject to the expected interim standard being issued by the IASB in early 2014, against further extending its deferral of the mandatory date for first-time adoption of IFRSs by rate-regulated entities.

In February 2013, noting the IASB's intention to issue an interim standard by the end of 2013, the AcSB decided to extend the existing deferral of the mandatory IFRS changeover date for entities with qualifying rate-regulated activities by an additional year to January 1, 2015 (from January 1, 2014).

At their meeting on September 5-6, 2012, AcSB decided to extend the deferral of the mandatory IFRS changeover date for entities with rate-regulated activities by an additional year to January 1, 2014.

At its meeting on March 20-21, 2012, the AcSB decided to extend the deferral of the mandatory IFRS changeover date for entities with rate-regulated activities by a further year to January 1, 2013.

At its September 2010 meeting, the AcSB decided to require entities with rate-regulated activities to adopt IFRSs for the first time no later than annual periods beginning on or after January 1, 2012.

In summary

Overview

Note that these optional deferrals in respect of the adoption of IFRSs apply to the consolidated financial statements of the parent company of a qualifying entity that is subject to rate regulation and to the qualifying rate-regulated subsidiary itself but not to the stand alone financial statements of other subsidiaries of the parent which do not, themselves, qualify for the deferral.

As a reminder, a qualifying entity is an entity that is subject to cost of service rate regulation that has recognized regulatory assets or regulatory liabilities in its financial statements as a result of rate regulation. These entities will also have made the appropriate disclosures required under AcG-19 *Disclosures by Entities Subject to Rate Regulation.*

The AcSB requires that an entity choosing to defer its IFRS changeover date disclose that fact, and when it will first present financial statements in accordance with IFRSs.

Available resources and links

- AcSB Decision Summary (November 2013)
- AcSB News (February 2013)

IASB/AcSB Annual Improvements 2010-2012 Cycle

Effective date: The amendments generally apply for annual periods beginning, or transactions occurring, on or after July 1, 2014, with earlier application permitted on an individual item basis. Any transitional requirements are included in the relevant IFRSs.

Standard:	Annual Improvements 2010-2012 Cycle
Transitional provisions:	The amendments generally apply for annual periods beginning, or transactions occurring, on or after July 1, 2014, with earlier application permitted on an individual item basis. Any transitional requirements are included in the relevant IFRSs.
Published by:	IASB and AcSB
Last updated:	December 2013
Applicable to:	All publicly accountable entities (and those other entities that choose to adopt IFRS)

Recent activities

On December 12, 2013, the IASB issued its final standard entitled *Annual Improvements 2010-2012 Cycle.*

In summary

Overview

The standard is a collection of amendments to IFRSs in response to eight issues addressed during the 2010–2012 cycle for annual improvements to IFRSs. These amendments result from proposals that were contained in the IASB's ED published in May 2012.

The seven IFRSs affected are: IFRS 2, *Share- based Payments re* Definition of vesting condition, IFRS 3, *Business Combinations re* Accounting for contingent consideration in a business combination, IFRS 8, *Operating Segments re* (i) Aggregation of operating segments; and (ii) Reconciliation of the total of the reportable segments' assets to the entity's assets, IFRS 13*, Fair Value Measurement re* Short-term receivables and payables, IAS 16, *Property, Plant and Equipment re* Revaluation method of proportionate restatement of accumulated depreciation, IAS 24, *Related Party Disclosures re* Key management personnel, and IAS 38, *Intangible Assets re* Revaluation method of proportionate restatement of accumulated depreciation.

For details of these amendments, refer to the Deloitte IFRS in Focus per the link attached below.

Available resources and links

- IASB Press Release (December 2013)
- IASB Annual Improvements Cycle 2010-2012 (December 2013)
- Deloitte IFRS in Focus (December 2013)
- IASB Project Summary
- IASB ED (May 2012)

IASB/AcSB Annual Improvements 2011-2013 Cycle

Effective date: The amendments apply prospectively for annual periods beginning on or after July 1, 2014 with earlier application permitted on an individual item basis

Standard:	Annual Improvements 2011-2013 Cycle
Transitional provisions:	The amendments apply prospectively for annual periods beginning on or after July 1, 2014 with earlier application permitted on an individual item basis
Published by:	IASB and AcSB
Last updated:	December 2013
Applicable to:	All publicly accountable entities (and those other entities that choose to adopt IFRS)

Recent activities

On December 12, 2013, the IASB issued its final standard entitled *Annual Improvements 2011-2013 Cycle*.

In summary

Overview

The standard is a collection of amendments to IFRSs in response to four issues addressed during the 2011–2013 cycle. These amendments result from proposals that were contained in the IASB's ED published in November 2012.

The four IFRSs affected are: IFRS 1, *First-time Adoption of International Financial Reporting Standards re* Clarification of the meaning of "effective IFRSs", IFRS 3, *Business Combinations re* Clarification of the scope exemption for joint ventures, IFRS 13, *Fair Value Measurement re* Clarification of the scope of the portfolio exception, and IAS 40, *Investment Property re* Clarification of the interrelationship between IFRS 3 and IAS 40.

For details of the amendments, refer to the Deloitte IFRS in Focus per the link attached below.

Available resources and links

- IASB Press Release (December 2013)
- IASB Annual Improvements 2011-2013 Cycle
- Deloitte IFRS in Focus (December 2013)
- IASB Project Summary
- IASB ED (November 2012)

IASB/AcSB IFRS 9, Financial Instruments

Effective date: No mandatory effective date; early application continues to be permitted

Standard:	IFRS 9, *Financial Instruments*
Transitional provisions:	No mandatory effective date; early application continues to be permitted
Published by:	IASB and AcSB
Last updated:	November 2013
Applicable to:	All publicly accountable entities (and those other entities that choose to adopt IFRS)

Recent activities

On November 19, 2013, the IASB approved three 2013 amendments to IFRS 9, including removing its mandatory effective date. See separate item.

At its meeting on July 24, 2013, the IASB decided that the mandatory adoption date of IFRS 9 should be left open pending the finalization of the impairment and classification and measurement requirements. IFRS 9 continues to be available for early application.

At its meeting on December 13-15, 2011, the IASB approved the deferral by two years of the effective date of IFRS 9 to fiscal years beginning on or after January 1, 2015. Early adoption continues to be permitted. The amendments approved at the meeting in December 2011 also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. Instead, additional transition disclosures will be required.

In summary

Overview

This new standard replaces the requirements in IAS 39, *Financial Instruments: Recognition and Measurement* for classification and measurement of financial assets and liabilities.

IFRS 9 is the first part of a multi-phase project to replace IAS 39.

Key Features

Business model approach

- A financial asset will be: (i) classified on the basis of the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset; (ii) initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs; and (iii) subsequently measured at amortized cost or fair value.
- Reclassification is required when the business model under which the assets are managed changes.

Two measurement categories

The four IAS 39 classification categories are replaced with only two measurement categories – fair value and amortized cost. The classification approach to determine which financial assets are accounted for at amortized cost uses two criteria that the IASB believes will ensure that amortized cost provides decision-useful information about the amounts, timing and uncertainty of future cash flows:

- Does the financial instrument have basic loan features? (Basic loan features are contractual terms that give rise to cash flows that are payments of principal and interest on the principal outstanding.)
- Is the instrument managed on a contractual yield basis? (Instruments are managed on a

contractual yield basis if the business model is to pay and receive the contractual cash flows that are generated when held or issued.)

Fair value option

A fair value option is provided for financial instruments otherwise measured at amortized cost. A financial instrument is eligible to be measured at fair value through profit or loss if such designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch').

Characteristics of a debt instrument drive its measurement

Debt instruments (including debt instruments that are in security form and quoted in a market that were classified as 'available for sale' under IAS 39 and measured at fair value) must now be measured using amortized cost, if both of the two criteria described above are met. This is required unless the entity is eligible for and designates the instrument using the fair value option.

Elimination of tainting rules

The 'tainting' requirements in IAS 39 for held-to-maturity assets have been eliminated.

Separate presentation of gains and losses arising on the derecognition of items measured at amortized cost before maturity is now required with additional information and this enables users to understand the effects of such transactions within the context of a business model based on the payment or receipt of contractual cash flows.

A single impairment method

A single impairment method is to be applied to all financial assets measured at amortized cost – a major simplification compared with IAS 39's requirements, which requires different impairment approaches.

A single classification approach

A single classification approach is used for all types of financial instruments. This includes financial contracts that have derivative features embedded in them. This significantly reduces complexity.

All equity investments at fair value

All equity instruments are measured at fair value and there is an irrevocable option for an entity to present gains or losses for designated equity investments (other than items held for trading) in other comprehensive income. Only dividend income from such designated equity instruments is to be recognized in net income. There are no impairment requirements for equity investments because they are all carried at fair value.

Embedded derivatives

There is no separation required for derivatives embedded in host debt instruments. The whole instrument is accounted for at amortized cost if it meets both of the two criteria specified and the fair value option is not made. Otherwise the whole instrument must be accounted for at fair value.

New requirements for financial liabilities

The new requirements for financial liabilities address the problem of volatility in profit or loss arising from an issuer choosing to measure its own debt at fair value. The IASB decided to maintain the existing amortized cost measurement for most liabilities, limiting change to that required to address the own credit problem. With the new requirements, an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income (OCI) section of the income statement, rather than within profit or loss.

Available resources and links

- IFRS 9, Financial Instruments
- Deloitte IAS Plus Commentary on IFRS 9 (November 2009)
- IASB's Press Release (October 2010)
- Deloitte IFRS in Focus – Deferral of IFRS 9 (December 2011)

IASB/AcSB IFRS 14, Regulatory Deferral Accounts NEW

Effective date: January 1 2016. Earlier adoption is permitted

Standard:	IFRS 14, *Regulatory Deferral Accounts*
Transitional provisions:	Effective January 1 2016. Earlier adoption is permitted
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	All publicly accountable entities (and those other entities that choose to adopt IFRS)

Recent activities

On January 30, 2014, the IASB issued IFRS 14, *Regulatory Deferral Accounts*.

In summary

Overview

The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. IFRS does not provide any specific guidance for rate-regulated activities. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject in 2014. (See separate item.) Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure.

IFRS 14 permits first-time adopters to continue to recognize amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognize such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the Standard.

Available resources and links

- IASB Press Release (January 2014)
- IASB Project Summary and Feedback Statement (January 2014)
- Deloitte IFRS in Focus (January 2014)

IASB/AcSB IFRIC 21, Levies UPDATED

Effective date: Annual periods beginning on or after January 1, 2014

Standard:	IFRIC 21, Levies
Transitional provisions:	Effective for annual periods beginning on or after January 1, 2014
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	All publicly accountable entities (and those other entities that choose to adopt IFRS)

Recent activities

On January 31, 2014, the AcSB issued a Summary of its IFRS Discussion Group's meeting on December 2, 2013 relating to the implementation of IFRIC 21 in Canada. Noting that that the scope of IFRIC 21 is potentially quite broad and that careful consideration of all types of payments imposed by governments is necessary, the Discussion Group encourages preparers and auditors to focus on IFRIC 21 and to spend the necessary time to analyze the various payments made to government under this Interpretation.

On May 20, 2013, the IASB issued IFRIC 21: *Levies*, an Interpretation on the accounting for levies imposed by governments.

On May 31, 2012, the IFRIC published for public comment proposed guidance on the accounting for levies charged by public authorities on entities that operate in a specific market. On July 10, 2012, the AcSB issued a draft Interpretation that corresponds to the IFRIC's draft Interpretation.

In summary

Overview

IFRIC was asked to consider how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. The principal question raised was about when the entity should recognize a liability to pay a levy.

IFRIC 21 is an interpretation of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

The Interpretation includes guidance illustrating how the Interpretation should be applied.

Available resources and links

- Deloitte Projects Insights Summary
- IASB Press Release (May 2013)
- Deloitte IFRS in Focus (June 2012)
- IASB Press Release (May 2012)
- IASB Draft Interpretation (May 2012)

IIRC Integrated Reporting Framework

Effective date:	**There is currently no regulatory requirement for IR in Canada**
Standard:	IIRC's Integrated Reporting Framework
Transitional provisions:	Not applicable. There is currently no regulatory requirement for IR in Canada. It is a market-led initiative that aims to encourage companies to communicate their value creation story, rather than create another compliance burden.
Published by:	IIRC
Last updated:	December 2013
Applicable to:	Companies that wish voluntarily to communicate their value creation story to stakeholders using IR

Recent activities

On December 9, 2013, the IIRC issued its International Integrated Reporting (IR) Framework.

In summary

Overview

The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. Together, this coalition shares the view that communication about value creation should be the next step in the evolution of corporate reporting. The IR Framework has been developed to meet this need and provide a foundation for the future**.**

The primary purpose of an integrated report is to explain to providers of financial capital how an organization creates value over time. An integrated report benefits all stakeholders interested in an organization's ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers.

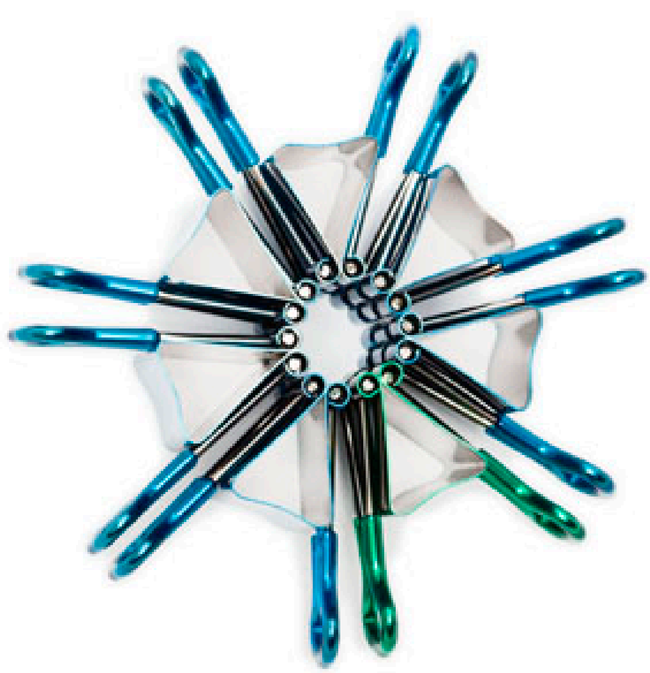
Commenting on the release of the Framework, IIRC Chairman Professor Mervyn King SC, said, "We have been taken aback by the degree to which mainstream businesses and investors have been willing to participate in creating this Framework and embarking on their own <IR> journey. Last month PepsiCo became the latest global company to sign up to the IIRC's 100-plus strong business network, which includes HSBC, Unilever, Deutsche Bank, China Light & Power, Hyundai Engineering and Construction, National Australia Bank and Tata Steel.

IIRC Chief Executive Officer, Paul Druckman, said, "The Framework brings technical rigour and cohesion to a process that has grown organically and through market pressure over the last three years. Today we have fired the starting gun on a period of global adoption that will begin in early 2014 by showcasing practical examples of reporting innovation, including how businesses are demonstrating value creation using the 'capitals' model and principles such as the connectivity of information."

Available resources and links

- IIRC Press Release (December 2013)
- IIRC International IR Framework (December 2013)
- Deloitte IFRS in Focus (December 2013)

Proposed standards



IASB/AcSB Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

Comment period ends April 2, 2013

Proposed standard:	Proposed narrow-scope amendments to IAS 16, *Property, Plant and Equipment*, and IAS 38, *Intangible Assets*.
Proposed effective date:	The IASB expects to publish the final amendments to IAS 16 and IAS 38 in Q1/2014
Published by:	IASB and AcSB
Last updated:	December 2013
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

Most recently, at its meeting on December 2013, the IASB concluded that: (i) the amendments to IAS 16 and IAS 38 should be finalised without re-exposure; (ii) the effective date of the amendments should be July 1, 2015 and earlier application should be permitted; and (iii) the due process requirements to date have been complied with. At its meeting in July 2013, the IFRIC was presented with and discussed a summary and analysis of the 98 comment letters received on the ED.

On December 20, 2012, the AcSB has issued an ED that corresponds to the IASB's ED.

On December 4, 2012, the IASB published for public comment an ED of proposed narrow-scope amendments to IAS 16, *Property, Plant and Equipment*, and IAS 38, *Intangible Assets*.

In summary

Overview

IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.

The objective of the proposed amendments is to ensure that preparers do not use revenue-based methods to calculate charges for the depreciation or amortisation of items of property, plant and equipment or intangible assets. This is because a revenue-based method reflects a pattern of economic benefits being generated from the asset, rather than the expected pattern of consumption of the future economic benefits embodied in the asset.

The issue originated from a submission to the IFRIC. As a result, the IFRIC recommended that the IASB should amend IAS 16 and IAS 38

Available resources and links

- Deloitte Project Insights Summary
- IASB Press Release (December 2012)
- IASB ED (December 2012)
- AcSB ED (December 2012)
- Deloitte IFRS in Focus (December 2012)

IASB/AcSB Amendments to IAS 27: Equity Method in Separate Financial Statements

Comment period ends February 3, 2014

Proposed standard:	Amendments to IAS 27, *Separate Financial Statements*
Proposed effective date:	Not specified, although early application is expected to be permitted
Published by:	IASB and AcSB
Last updated:	December 2013
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

On December 23, 2013, the AcSB issued an ED that corresponds to the IASB's ED on this topic.

On December 2, 2013, the IASB issued for public comment an ED entitled *Equity Method in Separate Financial Statements (Proposed amendments to IAS 27).*

In summary

Overview

Prior to the revision in 2003 of IAS 27, *Consolidated and Separate Financial Statements*, and IAS 28 *Investments in Associates*, the equity method was one of the options available to an entity to account for investments in subsidiaries and associates in the entity's separate financial statements. In 2003, the equity method was removed from the options. IAS 27, *Separate Financial Statements*, currently allows an entity to account for investments in subsidiaries, joint ventures and associates either at cost or in accordance with IFRS 9, *Financial Instruments*, in the entity's separate financial statements. The IASB has published this ED of proposed amendments to IAS 27 to restore the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

Available resources and links

- IASB Press Release (December 2013)
- IASB ED (December 2013)
- IASB Project Summary
- Deloitte IFRS in Focus (December 2013)
- AcSB ED (December 2013)

IASB/AcSB - Amendments to IAS 28, Equity method: Share of Other Net Asset Changes UPDATED

Comment period ends on March 22, 2013

Proposed standard:	Amendments to IAS 28, *Investments in Associates and Joint Ventures*
Proposed effective date:	The IASB expects to finalize these amendments in Q2/2014.
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

Most recently, at its meeting on December 12, 2013, the IASB noted that the proposed amendments are a short-term solution to address diversity in practice until the IASB revisits the principles of the equity method of accounting. Consequently, the IASB tentatively decided to finalise the amendments on the basis of the proposals in the ED, subject to reviewing a further analysis of the application of those requirements to some specific fact patterns.

On December 10, 2012, the AcSB issued an ED that corresponds to the IASB's ED.

On November 22, 2012, the IASB published for public comment an ED of proposed amendments to IAS 28, *Investments in Associates and Joint Ventures*.

In summary

Overview

The objective of the proposed amendments is to provide additional guidance in IAS 28. Specifically, it aims to provide guidance on how investors should recognize their share of the changes in the net assets of an investee that are not recognized in profit or loss or other comprehensive income of the investee, and that are not distributions received (i.e. 'other net asset changes').

As a result of a consequential amendment made by the 2007 revision to IAS 1 *Presentation of Financial Statements*, paragraph 10 of IAS 28 no longer states whether, and if so, where, the investor should account for its share of other net asset changes of the investee that are not recognized in profit or loss or other comprehensive income (OCI) of the investee, or that are not distributions received ('other net asset changes'). As a result of that consequential amendment, some view paragraphs 3 and 10 as being inconsistent with each other, or at least unclear.

To address this issue, the ED proposes to amend IAS 28 so that: (i) an investor should recognize in the investor's equity its share of the changes in the net assets of the investee that are not recognized in profit or loss or OCI of the investee, and that are not distributions received; and (ii) an investor should reclassify to profit or loss the cumulative amount of equity that the investor had previously recognized when the investor discontinues the use of the equity method.

The ED includes (i) a markup of the proposed amended wording of IAS 28, and (ii) a Basis of Conclusions for the proposed amendments.

Available resources and links

- Deloitte Project Insights Summary
- Press Release (November 2012)
- IASB ED (November 2012)
- AcSB ED (December 2012)
- Deloitte IFRS in Focus (December 2012)

IASB/AcSB - Amendments to IFRS 9, Financial Instruments: Classification and Measurement UPDATED

Comment period ends on March 28, 2013

Proposed standard:	Amendments to IFRS 9, *Financial Instruments: Classification and Measurement*
Proposed effective date:	The IASB expects to issue the completed version of IFRS 9, which will include the limited amendments to the classification and measurement requirements, in Q2/2014.
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

Most recently, at its meeting on January 21-23, 2014, the IASB discussed the remaining aspects of its proposals in the ED, including; (i) Interaction between the classification and measurement of financial assets and the accounting for insurance contracts liabilities; (ii) presentation and disclosure; (iii) presentation of comparative information by first-time adopters of IFRS and the early application of IFRS 9; (iv) application of particular classification and measurement requirements and a transition issue on impairment.

On May 7, 2013, the IASB launched a survey to financial statement users for comments on its proposals re the third category for the classification of financial assets, namely the Fair Value through Other Comprehensive Income (FVOCI) category.

On February 11, 2013, the AcSB issued an ED that corresponds to the IASB's ED.

On November 29, 2012, the IASB published for public comment an ED of proposed limited amendments to IFRS 9, *Financial Instruments: Classification and Measurement.*

In summary

Overview

The proposals form part of a wider project to reform accounting for financial instruments, and are part of the Classification and Measurement phase of that project. The IASB published new classification and measurement requirements for financial assets in 2009 and for financial liabilities in 2010. However, in January 2012 the IASB decided to consider limited amendments in order to: (i) clarify a narrow range of application questions; (ii) reduce key differences with the FASB's tentative classification and measurement model to achieve increased comparability internationally in the accounting for financial instruments; and (iii) take into account the interaction between the classification and measurement of financial assets and the accounting for insurance contract liabilities.

Because IASB believes that IFRS 9 is fundamentally sound and because some entities have already adopted or prepared to adopt IFRS 9 as previously published, the IASB sought to minimize changes to the requirements. The amendments are therefore consistent with the business model driven classification structure in IFRS 9.

Of note, the ED proposes the introduction of a fair value through other comprehensive income (FVOCI) measurement category for debt instruments that would be based on an entity's business model.

Available resources and links

- Deloitte Project Insights Summary
- Press Release (November 2012)

- IASB Snapshot (November 2012)
- IASB ED (November 2012)
- Press Release (May 2013)
- IASB Survey (May 2013)
- AcSB ED (February 2013)
- Deloitte IFRS In Focus (December 2012)
- IASB Project Summary

IASB/AcSB Amendments to IFRS 10 and IAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture UPDATED

Comment period ends April 23, 2013

Proposed standard:	Proposed narrow-scope amendments to IFRS 10, *Consolidated Financial Statements*, and IAS 28, *Investments in Associates and Joint Ventures*.
Proposed effective date:	The IASB expects to issue these amendments, which will be effective January 1, 2016, in Q1/2014.
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

Most recently, at its meeting on January 21-23, 2014, the IASB considered a sweep issue related to how the amendments to IFRS 10 should be applied when a parent loses control of a subsidiary (that does not contain a business) but retains an interest in the former subsidiary that is accounted for using the equity method. The IASB decided that the gain or loss resulting from the remeasurement at fair value of the investment retained in the former subsidiary should be recognised to the extent of unrelated investors' interests in that former subsidiary.

On January 30, 2013, the AcSB issued an ED that corresponds to the IASB's ED.

On December 13, 2012, the IASB published an ED of proposed narrow-scope amendments to IFRS 10, *Consolidated Financial Statements*, and IAS 28, *Investments in Associates and Joint Ventures.*

In summary

Overview

At its meeting in July 2013, the IFRIC was presented with a summary and analysis of the 65 comment letters received on the ED. The IFRIC decided that it should recommend that the IASB proceed with the amendments to IFRS 10 and IAS 28, subject to certain wording changes. It thinks that the proposed amendments would reduce diversity even if judgement will still be required in some cases to determine whether the assets sold or contributed constitute a business.

The objective of the proposed amendments is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of a subsidiary. The main consequence of the proposed amendments is that a full gain or loss would be recognised on the loss of control of a business (whether it is housed in a subsidiary or not), including cases in which the investor retains joint control of, or significant influence over, the investee.

Available resources and links

- Deloitte Project Insights Summary
- Deloitte IFRS in Focus (February 2013)
- IASB Press Release (December 2012)
- IASB ED (December 2012)
- AcSB ED (January 2013)

IASB/AcSB Amendment to IFRS 11, Acquisition of an Interest in a Joint Operation UPDATED

Comment period ends April 23, 2013

Proposed standard:	Proposed narrow-scope amendment to IFRS 11, *Joint Arrangements*.
Proposed effective date:	The IASB expects to issue these amendments, which will be effective January 1, 2016, in Q1/2014.
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

Most recently, at its meeting on January 21-23, 2014, the IASB discussed two sweep issues relating to the proposed amendments to IFRS 11. The IASB tentatively decided that: (i) the amendments to IFRS 11 should clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while retaining joint control; and (ii) a scope exclusion should be added to specify that the amendments to IFRS 11 do not apply when the parties sharing joint control, including the reporting entity, are under the common control of the same ultimate controlling party.

On January 30, 2013, the AcSB issued an ED that corresponds to the IASB's ED.

On December 13, 2012 the IASB published for public comment an ED of a proposed narrow-scope amendment to IFRS 11, *Joint Arrangements*.

In summary

Overview

IFRS 11 does not give explicit guidance on the accounting for acquisitions of interests in joint operations. The objective of the proposed amendment is to add new guidance to IFRS 11 on accounting for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3, *Business Combinations*.

The IASB proposes that acquirers of such interests shall apply the relevant principles on business combination accounting in IFRS 3 and other standards, and disclose the relevant information specified in these standards for business combinations.

The issue originated from a submission to the IFRIC. As a result, the IFRIC recommended that the IASB should amend IFRS 11.

Available resources and links

- Deloitte Project Insights Summary
- Deloitte IFRS in Focus (February 2013)
- IASB Press Release (December 2012)
- IASB ED (December 2012)
- AcSB ED (January 2013)

IASB/AcSB Annual Improvements Cycle 2012- 2014 UPDATED

Comment period ends March 13, 2014

Proposed standard:	Annual Improvements Cycle 2012- 2014
Proposed effective date:	Annual periods beginning on or after January 1, 2016; early application is expected to be permitted
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

On January 22, 2014, the AcSB issued an ED that corresponds to the IASB's ED on this topic.

On December 11, 2013, the IASB issued for public comment an ED entitled *Annual Improvements Cycle 2012- 2014*. The ED provides details of five proposed amendments to four IFRSs under the IASB's annual improvements project, namely IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, IFRS 7, *Financial Instruments: Disclosure*, IAS 19, *Employee Benefits*, and IAS 34, *Interim Financial Reporting.*

In summary

Overview

A summary of the proposed amendments is as follows:

IFRS 5, Non-current Assets Held for Sale and Discontinued Operations

The IASB proposes to amend IFRS 5 by stating that in circumstances in which an entity (a) reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale; or (b) reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution, it shall not follow the guidance in paragraphs 27–29 to account for this change. The IASB also proposes to amend IFRS 5 by stating that in circumstances in which an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable it should cease held-for-distribution accounting and apply the guidance in paragraphs 27–29 of IFRS 5.

IFRS 7, Financial Instruments: Disclosure

(A) Servicing contracts

The IASB proposes to add guidance that clarifies how an entity should apply the guidance in paragraph 42C of IFRS 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of IFRS 7.

(B) Applicability of the amendments to IFRS 7 to condensed interim financial statements

The IASB proposes to clarify that the additional disclosure required by the amendments to IFRS 7, *Disclosure–Offsetting Financial Assets and Financial Liabilities,* is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with IAS 34, *Interim Financial Reporting*, when its inclusion would be required by the requirements of IAS 34.

IAS 19, Employee Benefits

The IASB proposes to clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Consequently, the IASB proposes to clarify that the depth of the market for high quality corporate bonds should be assessed at the currency level.

IAS 34, Interim Financial Reporting

The IASB proposes to amend IAS 34 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.

Available resources and links

- IASB Press Release (December 2013)
- IASB ED (December 2013)
- AcSB ED (January 2014)
- IASB Project Summary
- Deloitte IFRS in Focus (December 2013)

IASB/AcSB Bearer Plants: Amendments to IAS 16 and IAS 41 UPDATED

Comment period ends October 28, 2013

Proposed standard:	Amendments to IAS 16 and IAS 41 to require that bearer plants, once mature, be accounted for under IAS 16 and not, as currently, under IAS 41
Proposed effective date:	Not yet determined
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

Most recently, at its meeting on January 21-23, 2014, the IASB discussed a summary of the feedback received on the IASB's ED. No decisions were made.

On July 15, 2013, the AcSB issued an ED that corresponds to the IASB's ED on this topic.

On June 26, 2013, the IASB published for public comment an ED of proposals to include bearer plants, once mature, within the scope of IAS 16, *Property, Plant and Equipment*.

In summary

Overview

Bearer plants are a class of biological assets that, once mature, are held by an entity solely to grow produce over their productive life. Examples include grape vines, rubber trees and oil palms.

Currently, IAS 41, *Agriculture*, requires all biological assets that are related to agricultural activity, including bearer plants, to be measured at fair value less costs to sell. This requirement is based on the principle that biological transformation is best reflected by fair value measurement.

However, once mature, bearer plants no longer undergo significant biological transformation. Furthermore, their operation is similar to that of manufacturing. Consequently, the ED proposes that bearer plants are accounted for by IAS 16 instead of IAS 41, thus permitting the use of either a cost model or a revaluation model. The produce growing on the bearer plants would remain under the fair value model in IAS 41.

Available resources and links

- Deloitte Project Insights Summary
- IASB Project Summary
- IASB Press Release (June 2013)
- IASB ED (June 2013)
- AcSB ED (July 2013)

IASB/AcSB Financial Instruments: Expected Credit Losses UPDATED

Comment period ends July 5, 2013

Proposed standard:	A new IFRS standard that provides guidance on accounting for expected credit losses in respect of certain Financial Instruments under IFRS 9 and Lease Receivables under IAS 17
Proposed effective date:	The IASB expects to approve the final IFRS in Q2/2014. At its meeting on November 20-23, 2013, the IASB has tentatively decided that the effective date of these amendments to IFRS 9 would be no earlier than for annual periods beginning on or after January 1, 2017.
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

Most recently, at its meeting on January 21-23, 2014, the IASB concluded its redeliberations on the clarifications and enhancements to the proposals in the ED by considering the proposed presentation and disclosure requirements. The IASB will discuss the mandatory effective date of IFRS 9, and any sweep issues before considering compliance with its due process requirements. Additionally, the IASB will consider whether re-exposure is necessary.

The IASB and the FASB held a joint Board meeting on July 23, 2013 when the staff presented a summary of the main feedback received in the comment letters, the outreach activities and the fieldwork undertaken on the IASB's ED. No decisions were made.

On May 17, 2013, the AcSB issued an ED that corresponds to the IASB"s ED on this topic.

On March 7, 2013, the IASB issued for public comment a revised set of proposals for accounting for the impairment of financial instruments.

In summary

Overview

Financial reporting requirements both internationally and in the US currently use an incurred loss model to determine when impairment is recognized on financial instruments. The incurred loss model requires that a loss event must occur before a provision can be made. However, during the recent financial crisis the incurred loss model was criticized for delaying the recognition of losses and for not reflecting accurately credit losses that were expected to occur.

Consistent with requests from the G20, the Financial Crisis Advisory Group and others, the IASB and the FASB have been working jointly to develop a more forward-looking impairment model that reflects expected credit losses. The new proposals build upon the expected credit loss model previously agreed between the IASB and the FASB, but it has been simplified to reflect feedback received from interested parties. Of note, the FASB has published separately for public comment an alternative expected credit loss model and the two sets of proposals have overlapping comment periods.

The IASB's new expected credit loss model is designed to recognize credit losses on a more timely basis. Expected credit losses are recognized on all financial instruments within the scope of the proposals from the date that they are originated or purchased. Full lifetime expected credit losses are recognized when a financial instrument deteriorates significantly in credit quality. This is a significantly lower threshold for recognition than under the current incurred loss model which in practice has resulted in provisioning only when financial assets are close to default.

Hans Hoogervorst, Chairman of the IASB commented "Our proposals are a simplified version of the expected credit loss approach that we originally jointly developed with the FASB. We believe the model leads to a more timely recognition of credit losses. At the same time, it avoids excessive front-loading of losses, which we think would not properly reflect economic reality. We look forward to receiving feedback on these proposals and moving swiftly to finalize this important project, consistent with repeated requests of the G20."

Available resources and links

- Deloitte Project Insights Summary
- IASB Press Release (March 2013)
- IASB ED (March 2013)
- IASB Snapshot (March 2013)
- IASB Project Summary
- AcSB ED (May 2013)
- FASB ED (March 2013)
- FASB Project Summary (March 2013)
- Deloitte IFRS in Focus (March 2013)

IASB/AcSB Insurance Contracts UPDATED

Comment period ends: To the IASB on October 25, 2013; To the AcSB on January 6, 2014

Proposed standard:	A new IASB standard on accounting for insurance contracts
Proposed effective date:	Not yet determined
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

Most recently, at their meeting on January 21-23, 2014, the IASB and the FASB discussed summaries of the feedback from comment letters, outreach (including with users of financial statements) and fieldwork on both the IASB's revised ED and the FASB's EDs. No decisions were made.

On September 25, 2013 the AcSB issued an ED that corresponds to the IASB's ED on this topic. Canadian stakeholders are encouraged to provide their comments to the AcSB by January 6, 2014.

On June 20, 2013, the IASB published for public comment a revised ED of proposals for the accounting for insurance contracts. At its September 20-28, 2012 meeting, the IASB had decided that a re-exposure draft should be issued. Comments to the IASB are due by October 25, 2013.

On July 30, 2010, the IASB published for public comment an ED, *Insurance Contracts*, with a request for comments by November 30, 2010. On September 29, 2010, the AcSB issued an ED that corresponded to the IASB's ED.

In summary

Overview

When the IASB began its work in 2001, International Accounting Standards had no standard on insurance contracts. In anticipation of adoption of IFRS by a number of jurisdictions, including the European Union, the IASB published IFRS 4, *Insurance Contracts*. That Standard enabled existing practices to be maintained and was intended as a stopgap measure pending a more fundamental reassessment of the accounting for insurance contracts. As a result, IFRS today has little guidance for entities that issue insurance contracts.

The IASB's 2010 ED, *Insurance Contracts*, represented an important milestone in Phase II of the IASB's project to revise fundamentally IFRS 4. Specifically, the ED required insurance liabilities to be measured using a transparent 'building blocks' accounting model based on a discounted probability weighted estimate of future cash flows. The proposed 'building block' approach for recognition of the insurance contract obligation is very different to the approaches and methods used currently; it includes three building blocks: (i) a current probability-weighted estimate of the future cash flows; (ii) a discount rate and a risk adjustment; (iii) a residual margin for uncertainty and future profits.

While the model presented in the 2010 ED was broadly supported, certain specific issues were raised by stakeholders that the IASB has sought to address in its revised 2013 ED. The revised proposals respond to these issues by introducing important changes in three main areas, namely:

i) to refine *the measurement approach* to propose that: (a) an entity should recognize any change in estimates relating to future profits to be earned for insurance coverage under an insurance contract over the period in which that profit is earned; and (b) a measurement and presentation exception to reflect situations in which there can be no economic mismatch between the insurance contract and assets backing that contract.

ii) to develop *the presentation approach* to propose that an entity should (a) align the presentation of revenue with that required for other contracts with customers by other IFRSs; and (b) present interest expense from insurance contracts in a way that enables an amortized cost-based expense to be presented in profit or loss and a current value-based balance sheet to be presented.

iii) to amend the transition approach to propose simplifications that maximize the use of objective data and to improve comparability for contracts originated before and after application of the proposals

The revised 2013 ED sets out in full the proposals for the accounting for insurance contracts. However, respondents are asked for comments on the key areas that the IASB has changed as a result of the responses it received to the 2010 ED.

Available resources and links

- Deloitte Project Insights Summary
- Deloitte IFRS in Focus (June 2013)
- IASB Project Summary
- IASB Press Release (June 2013)
- IASB ED (June 2013)
- AcSB ED (September 2013)
- IASB Snapshot (June 2013)
- IASB ED (July 2010)

IASB/AcSB Interim Updates to the IFRS Taxonomy 2013 UPDATED

Comment periods end; Release 1 - November 11, 2013; and Release 2 – February 14, 2014

Proposed standard:	N/A – Interim Updates to IFRS Taxonomy 2013
Proposed effective date:	The IFRS Taxonomy 2014 is expected to be issued in March 2014
Published by:	IFRS Foundation
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

On January 15, 2014, the IFRS Foundation issued for public comment an ED of the Interim Update to the IFRS Taxonomy 2013 – Release 2.

On September 9, 2013, the IFRS Foundation issued for public comment an ED of the Interim Update to the IFRS Taxonomy 2013 – Release 1.

In summary

Overview

IFRS Taxonomy interim releases contain additional taxonomy concepts that reflect new IFRSs and improvements to IFRSs published by the IASB, thereby allowing entities wishing to report electronically using the latest IFRSs to do so without the need for these entities to create their own XRBL taxonomy concepts. They may also contain technical updates and corrections.

Release 1 includes proposed updates to the IFRS Taxonomy 2013, as follows: (i) taxonomy amendments to reflect the IAS 36 narrow-scope amendments issued on 29 May, 2013; (ii) a structural update - taxonomy modularization changes; (iii) the addition of a new documentation linkbase; and (iv) taxonomy improvements.

Release 2 includes proposed updates to the IFRS Taxonomy 2013, as follows; (i) the November 2013 amendments to IFRS 9, *Financial Instruments*; (ii) the amendments included in Annual Improvements to IFRSs 2010-2012 Cycle; and (iii) amendments to reflect the results of the 2013 empirical analysis of IFRS financial statements of entities engaged in the areas of real estate and telecommunications.

The interim update is designed to be part of an accelerated timeline for the release of the IFRS Taxonomy 2014. The final version of the IFRS taxonomy 2014 is expected to be published in March 2014.

Available resources and links

- Press release (September 2013)
- Interim Release ED (September 2013)
- Press release (January 2014)
- Interim Release ED (January 2014)

IFRIC/AcSB - Draft Interpretation: Put Options Written on Non-controlling Interests

Comment period ends on October 1, 2012

Proposed standard:	New Interpretation: Put Options Written on Non-controlling Interests
Next steps:	To be determined
Published by:	IFRIC and AcSB
Last updated:	November 2013
Applicable to:	All publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

Most recently, at their meeting in March 2013, the IASB discussed the IFRIC's views and the feedback received in the comment letters. The IASB tentatively decided to re-consider the requirements in paragraph 23 of IAS 32, including whether all or particular put options and forward contracts written on an entity's own equity should be measured on a net basis at fair value.

On July 10, 2012, the AcSB issued a draft Interpretation that corresponds to the IFRIC's draft Interpretation.

On May 31, 2012, the IFRIC published for public comment proposed guidance on the accounting for a put option written by a parent entity on the shares of its subsidiary held by a non-controlling-interest shareholder

In summary

Overview

A put option is a contract that gives the holder of the option the right to sell a specified asset to the writer of the option at a specified price within a specified time. If a parent entity is obliged to purchase the shares of its subsidiary for cash or for another financial asset, the parent must recognize a financial liability in its consolidated financial statements for the present value of the option exercise price. The IFRIC was asked to consider how to subsequently measure that financial liability, because diversity exists in practice. In response to that request, the IFRIC has proposed that all changes in the measurement of that financial liability should be recognized in profit or loss in accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, and IFRS 9, *Financial Instruments*.

The draft Interpretation issued for comment includes a Basis for Conclusions section which details how the IFRIC reached its conclusions on this issue.

Available resources and links

- Deloitte Project Insights Summary
- IASB Press Release (May 2012)
- IASB Draft Interpretation (May 2012)
- AcSB Draft Interpretation
- Deloitte IFRS in Focus

IASB/AcSB Leases UPDATED

Comment period end: the 2010 ED - December 15, 2010; the Revised ED - September 13, 2013

Proposed standard:	A new accounting standard in respect of leases for both lessees and lessors
Next steps:	The expected effective date of the new standard is not yet specified
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRSs)

Recent activities

Most recently, at their meeting on January 21-23, 2014, the IASB and the FASB began their redeliberations of the proposals included in the Revised ED. The objective of the meeting was to have an in-depth discussion of the following topics: (i) lessor accounting model; (ii) accounting for “Type A” leases by lessors; (iii) lessee accounting model; and (iv) lessee small-ticket leases. No decisions were made.

On August 8, 2013, the AcSB issued a Revised ED that corresponds to the IASB’s Revised ED.

On May 16, 2013, the IASB and the FASB published for public comment a re-exposure draft (the Revised ED) of joint proposals to improve the reporting of lease contracts.

On July 2011, the Boards unanimously agreed to re-expose the revised proposals for a common Leases standard. The main areas of change include the lessee accounting model-specifically, how the lessee recognises lease expense in its statement of comprehensive income for some leases; the lessor accounting model; the accounting for variable lease payments and renewal options; and the definition of a lease.

In October 2010, the AcSB issued an ED that corresponds to the IASB’s 2010 ED.

On August 17, 2010, the IASB and the FASB published for public comment an ED of joint proposals to improve the reporting of lease contracts (the 2010 ED).

Summary of project to date

For a summary of these proposed accounting changes, including the tentative decisions reached to date, refer to the attached link to the Deloitte IFRS Project Insights Summary.

In summary

Overview

The Revised ED, similar to the 2010 ED reflects the decision of the Boards to develop a new approach to lease accounting that would require a lessee to recognise assets and liabilities for the rights and obligations created by leases. The model reflects that, at the start of a lease, the lessee obtains a right to use the underlying asset for a period of time, and the lessor has provided or delivered that right. Consequently, the Boards have referred to the model as a *‘right-of-use’* model. A lessee is required to would recognise a right-of-use asset and a lease liability for all leases of more than 12 months.

Different from the 2010 ED, the Revised ED recognises that there are a wide variety of lease transactions with different economics. To better reflect these differences, the Revised ED proposes a dual approach to the recognition, measurement and presentation of expenses and cash flows arising from a lease. The principle for determining which approach to apply is based on the amount of consumption of the underlying leased asset.

A lessee typically consumes a part of any equipment or vehicle that it leases (such as aircraft, ships, mining equipment, cars and trucks). That is because equipment and vehicles are depreciating assets, whose value not only declines over their economic lives but generally declines faster in the early years of their lives than in the later years. In such leases (Type A Leases), the lessor prices the lease to recover the value of the part of the asset consumed as well as obtaining a return on its investment in the asset.

In other leases (Type B Leases), the lessee merely uses the underlying asset without consuming more than an insignificant part of it. This is typically the case for most leases of real estate, i.e. leases of land and/or a building ('property'). Property typically has a relatively long life, and a large proportion of the lease payments for some property leases relates to the land element inherent in those leases. Land has an indefinite life and the value of the land would not be expected to be consumed by a lessee. In such leases, the lessor prices the lease to obtain a return on its investment in the underlying asset (without requiring recovery of the investment itself).

Under the Revised ED, a lessee is required to determine whether it has entered into a Type A or a Type B Lease. A lessee that enters into a Type A Lease, in effect, acquires the part of the underlying asset that it consumes, which is typically paid for over time in the form of lease payments. Accordingly, a lessee would present amortisation of the right-of-use asset in the same line item as other similar expenses (for example, depreciation of property, plant, and equipment) and interest on the lease liability in the same line item as interest on other, similar financial liabilities. In contrast, the lease payments made in a Type B lease would represent amounts paid to provide the lessor with a return on its investment in the underlying asset, i.e. a charge for the use of the asset. That return or charge would be expected to be relatively even over the lease term. Accordingly, those payments for use are presented as one amount in a lessee's income statement and recognised on a straight-line basis.

The presentation of cash outflows in the cash flow statement is consistent with the presentation of expenses in the income statement. For Type A Leases, the principal portion of cash payments is presented within financing activities and the interest portion within operating or financing activities. Cash payments for Type B Leases are presented as one amount within operating activities.

With respect to lessors, for all practical purposes, there are few changes proposed to the accounting currently applied by lessors of finance leases. For operating leases, the extent of change would depend on whether the underlying asset is property or equipment. A lessor would distinguish between most property (Type B Leases) and most equipment leases (Type A Leases) in the same way that a lessee would under the proposals. For operating leases of property, the accounting applied by the lessor is essentially unchanged. For operating leases of equipment or vehicles, however, the changes proposed are significant since a lessor of most equipment or vehicles leases would: (a) recognise a lease receivable and a retained interest in the underlying asset (the residual asset), and derecognise the underlying asset; and (b) recognise interest income on both the lease receivable and the residual asset over the lease term.

The Revised ED proposes disclosure to enable the user to determine the financial impacts of leases in the financial statements of both lessees and lessors.

Available resources and links

- Deloitte IFRS Project Insights Summary
- Deloitte IFRS in Focus (May 2013)
- IASB Press Release (May 2013)
- IASB Revised ED (May 2013)
- IASB Snapshot (May 2013)
- AcSB Revised ED (August 2013)
- Deloitte IFRS in Focus (October 2012)
- AcSB's exposure draft (www.acsbcanada.org)
- IASB Project Summary
- IASB ED (August 2010)
- IASB Basis for Conclusions of the ED (August 2010)
- IASB SnapShot (August 2010)
- DTT IFRS in Focus: IASB issues Exposure Draft on Lease Accounting (www.iasplus.com)
- Deloitte USA Heads Up (August 2010)
- IAS Plus Commentary (August 2010)

IASB/AcSB Post-implementation Review of IFRS 3, Business Combinations NEW

Comment period ends May 30, 2014

Proposed standard:	N/A - Post-implementation Review of IFRS 3, *Business Combinations*
Proposed effective date:	N/A
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

On January 30, 2014, the IASB began the public consultation stage of its post-implementation review of IFRS 3*, Business Combinations*, by publishing a Request for Information (RFI) on experience with, and the effect of, implementing the Standard.

In summary

Overview

The RFI seeks feedback on whether the Standard provides information that is useful to users of financial statements, whether there are areas of the Standard that represent implementation challenges and whether unexpected costs have arisen when preparing, auditing or enforcing the requirements of the Standard.

In addition to publishing the RFI, the IASB will also undertake a range of outreach activities internationally to gather further feedback on the effect of implementing IFRS 3.

Available resources and links

- IASB Press Release (January 2014)
- IASB RFI (January 2014)
- IASB Project Summary

IASB/AcSB Revenue from Contracts with Customers

Comment period : March 13, 2012 for the revised ED (the comment period for the original ED ended on October 22, 2010)

Next steps:	A new standard, *Revenue from Contracts with Customers*, which would supersede IAS 11, Construction Contracts, and IAS 18, Revenue, and related interpretations
Proposed effective date:	The IASB expects to issue the final standard in Q1/2014.
Published by:	IASB and AcSB
Last updated:	November 2013
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRSs)

Recent activities

Most recently, at their meeting on October 30, 2013, the IASB and FASB discussed the following topics: (i) constraint on estimates of variable consideration; (ii) implementation guidance: licences; and (iii) collectability. Subsequently, at its meeting on November 20-23, 2013, the IASB concluded that (i) all of the due process steps had been completed; and (ii) that re-exposure of the changes from the revised ED was not necessary.

On March 21, 2013, the IASB met and discussed further the issue of early application of the new Revenue Standard for IFRS preparers. The IASB tentatively decided to reverse its decision in February 2013 and instead permit early application of the new Revenue Standard.

On November 17, 2011, the IASB and FASB issued a revised ED that is based on the same underlying principles as the original ED; however, the Boards have simplified and clarified several aspects of the original ED in response to feedback received. On February 1, 2012, the AcSB issued a revised ED that corresponds to the IASB's revised ED.

On July 6, 2010, the IASB issued an ED proposing a single revenue recognition standard that would be applied across various industries and capital markets. On August 5, 2010, the AcSB issued an ED that corresponds to the IASB's ED.

Summary of project to date

For a summary of these proposed accounting changes, including the tentative decisions reached to date, refer to the attached link to the Deloitte IFRS Project Insights Summary.

In summary

Revised Exposure Draft – November 2011

The core principle of this revised ED issued in November 2011 is the same as that of the original June 2010 ED: that an entity would recognise revenue from contracts with customers when it transfers promised goods or services to the customer. The amount of revenue recognised would be the amount of consideration promised by the customer in exchange for the transferred goods or services. However, in response to feedback received from nearly 1000 comment letters on the original June 2010 ED and extensive outreach activities, the Boards further refined their original proposals.

In particular the Boards, with respect to the November 2011 revised ED:

- Added guidance on how to determine when a good or service is transferred over time;
- Simplified the proposals on warranties;
- Simplified how an entity would determine a transaction price (including collectability, time value of money, and variable consideration);

- Modified the scope of the onerous test to apply to long-term services only;
- Added a practical expedient that permits an entity to recognise as an expense costs of obtaining a contract (if one year or less); and
- Provided exemption from some disclosures for non-public entities that apply US GAAP.

The IASB Snapshot (November 2011) and the Deloitte IFRS In Focus (November 2011) provide a more detailed summary of the revised ED. Refer to the attached links below.

Original Exposure Draft – June 2010

The core principle proposed in the ED would require an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it receives, or expects to receive, in exchange for those goods or services. To apply that principle, an entity would:

- **Identify the contract(s) with a customer.** Normally each revenue transaction is a single contract, but sometimes the elements of a multiple-element contract must be accounted for separately or, less commonly, two contracts are combined.
- **Identify the separate performance obligations in the contract.** If an entity promises to provide more than one good or service, it would account for each promised good or service as a separate performance obligation only if the good or service is distinct – that is, it is or could be sold separately.
- **Determine the transaction price.** Transaction price is the probability-weighted amount of consideration that an entity expects to receive. This would take into account collectability, the time value of money, the fair value of non-cash consideration, and consideration payable to a customer.
- **Allocate the transaction price** to the separate performance obligations in proportion to the standalone selling prices of the goods or services underlying each performance obligation at contract inception.
- **Recognize revenue when the customer obtains control of the goods or services.** A customer obtains control when of a good or service when the customer has the ability to direct the use of, and receive the benefit from, the good or service. A customer has obtained control if it has the present right to use the asset for its remaining economic life or to consume the asset in the customer's activities, together with the present right to obtain substantially all of the potential cash flows from that asset.

The ED also specifies the accounting for contract costs. Costs of obtaining a contract are charged to expense when incurred. If the costs incurred in fulfilling a contract are not eligible for capitalization in accordance with other standards (for example, IAS 2 Inventories), an entity would recognize an asset only if those costs: (i) relate directly to a contract (or a specific contract under negotiation); (ii) generate or enhance resources of the entity that will be used in satisfying performance obligations in the future; and (iii) are expected to be recovered.

Available resources and links

- IASB Press release
- IASB's Revised ED (November 2011)
- IASB Revised Basis of Conclusions for the ED (November 2011)
- IASB Snapshot (November 2011)
- Deloitte IFRS in Focus (November 2011)
- Deloitte IFRS Project Insights Summary
- IASB Exposure draft (June 2010)
- IASB Basis for conclusions (June 2010)
- Deloitte IFRS in Focus (June 2010)
- AcSB Exposure Draft (February 2012)
- AcSB Exposure draft (August 2010)

IASB/AcSB Rate-regulated activities UPDATED

Comment period ended: May 30, 2013

Standard:	Comprehensive IFRS standard for entities that have Rate-regulated Activities
Next steps:	The IASB currently expects to issue its Comprehensive DP for comment in Q2/2014
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises with rate-regulated activities

Recent activities

On January 30, 2014, the IASB issued IFRS 14, *Regulatory Deferral Accounts*. (See separate item.) The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities, pending the completion of the IASB's comprehensive project.

Most recently, at its meeting on November 20-23, 2013, the IASB continued its discussions about the features of rate regulation that should form the focus of the DP.

On March 28, 2013, the IASB issued a RFI, which asks specific questions about the objectives of rate regulation and how those objectives are reflected in the rate-setting mechanisms employed by rate regulators. The fact patterns identified through this RFI and other research will be used to develop the comprehensive DP.

At their meeting on September 20-28, 2012, the IASB decided to restart this project with the development of a comprehensive DP. Responses to the 2009 ED highlighted a diversity of strongly held views which demonstrated differences of interpretation of the Conceptual Framework. Developing such a DP will provide the opportunity for a broader debate on the circumstances in which rate-regulated activities may give rise to assets or liabilities.

In July 2009, the IASB issued an ED proposing an IFRS on rate-regulated activities In September 2009, the AcSB issued an ED that corresponds to the IASB's ED.

In summary

Overview

Rate regulation is a restriction in the setting of prices that can be charged to customers for services or products. Generally, it is imposed by regulatory bodies or governments when an entity has a monopoly or a dominant market position that gives it excessive market power.

The objective of the IASB's Rate-regulated Activities research project is to develop a DP to consider whether rate regulation creates assets or liabilities, in addition to those already recognised in accordance with IFRS for non-rate-regulated activities. If so, the project will also consider how such assets and liabilities should be accounted for, and whether (or how) IFRSs should consequently be amended.

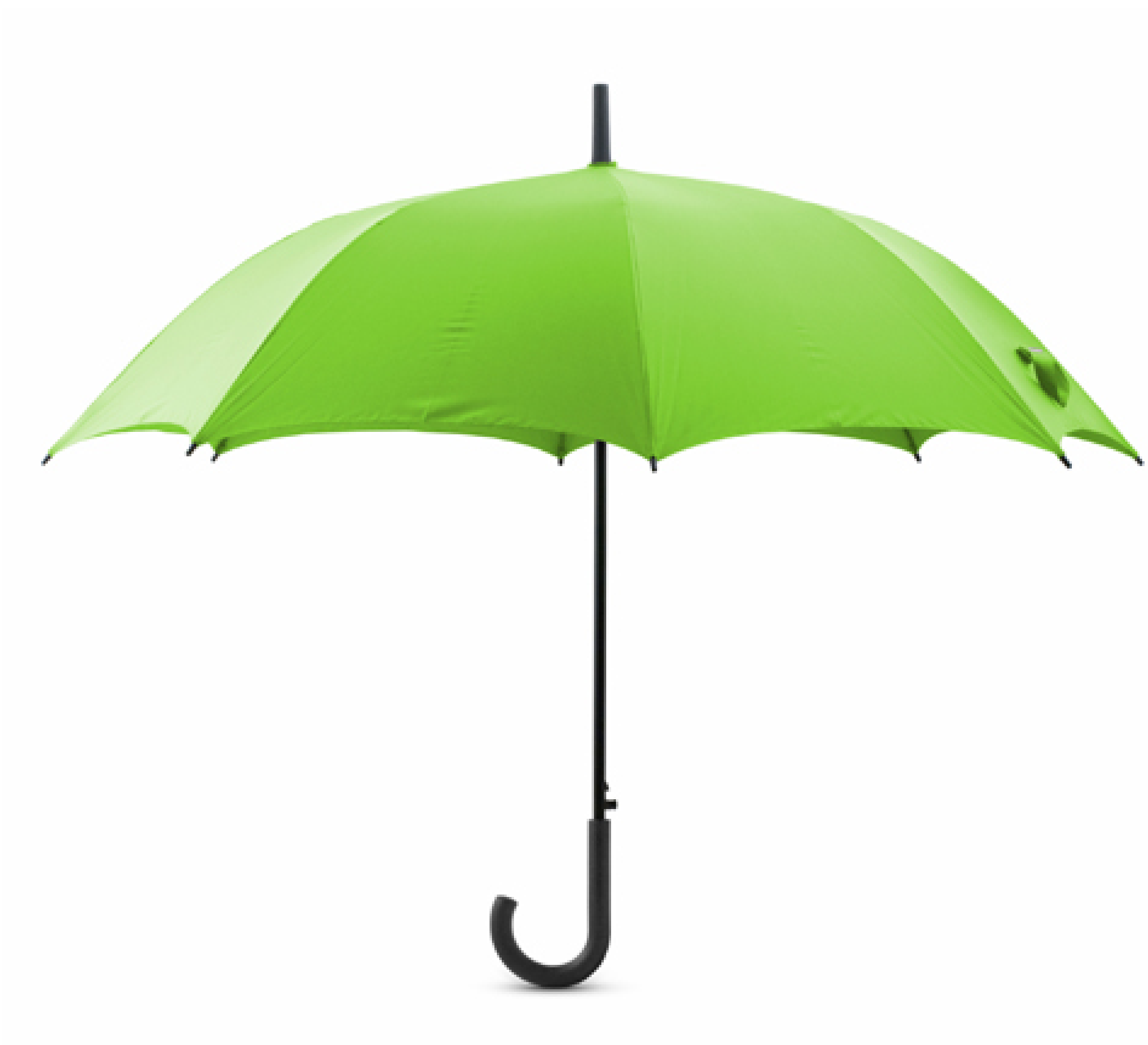
Implications for Canada

Similar to IFRSs, Canadian GAAP does not currently include a comprehensive standard on accounting for rate-regulated activities. However, several Sections in the CICA Handbook – Accounting prescribe the recognition and measurement requirements for such activities. These Sections permit or require the recognition of regulatory assets and regulatory liabilities, when certain criteria are met, and produce the same results in each area as would result by applying U.S. Statement of Financial Accounting Standards No. 71, *Accounting for the Effects of Certain Types of Regulation* (or Accounting Standards Codification Topic 980). When dealing with issues outside these Sections, Canadian entities with regulated operating activities have often analogized from the requirements of these Sections or looked to Section 1000, Financial Statement Concepts, or US GAAP for guidance. The IASB's project would make this unnecessary by establishing a core principle for the recognition, measurement and disclosure of regulatory assets and regulatory liabilities that would apply in all circumstances for operations meeting the scope criteria.

Available resources and links

- IASB RFI (March 2013)
- IASB ED (July 2009)
- AcSB ED (September 2009)
- IASB Project Summary
- Deloitte IFRS in Focus (September 2009)

Projects



IASB/AcSB Amendments to IAS 1, Presentation of Financial Statements: Disclosure Initiative UPDATED

Proposed changes:	This initiative is made up of a number of projects, both short term and medium term, including a project to improve the disclosure requirements in IAS 1, *Presentation of Financial Statements,* about the assessment of going concern, which was recommended by the IFRIC.
Next steps:	An ED related to this project is currently expected to be issued by the IASB in Q1/2014
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRSs)

Recent activities

Most recently, at its meeting on January 21-23, 2014, the IASB discussed the transition provisions and due process for the proposed narrow-focus amendments to IAS 1. The IASB tentatively decided that the proposed amendments to IAS 1 should be applied from the effective date of the amendments, with earlier application permitted, and that no specific transition provisions are necessary. The IASB also confirmed that it is satisfied that all due process steps applicable so far have been complied with and that the staff has permission to prepare a ballot draft of the ED with a comment period of 120 days.

In summary

Overview

The IASB is undertaking a broad-based initiative to explore how disclosures in IFRS financial reporting can be improved, including as a result of the Discussion Forum on Disclosure in Financial Reporting that was held in January 2013 (See separate item).

This initiative is made up of a number of projects, both short term and medium term, as follows: (i) a short term project on materiality; (ii) a short term project to implement certain narrow-scope amendments to IAS 1 in order to address some of the concerns raised at the Discussion Forum as well as other IAS 1 proposals arising from the IFRIC; (iii) a medium term research project on presentation and disclosure in IFRS; and (iv) a medium term research project to review disclosure in existing IFRS to identify and assess conflicts, duplication and overlaps.

Available resources and links

- Deloitte Project Insights Summary – Disclosure Initiative
- Deloitte Project Insights Summary – Disclosures about Going Concern
- IASB Project Summary

IASB/AcSB Amendment to IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses

Proposed changes:	A narrow-scope project to amend IAS 12
Next steps:	An ED is expected to be issued by the IASB in Q2/2014
Published by:	IASB and AcSB
Last updated:	November 2013
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRSs)

Recent activities

This is a narrow-scope project that arose out of the 2010-2012 cycle of Annual Improvements. In response to constituent feedback, the IASB decided at its December 2012 meeting that the accounting for deferred tax assets for unrealized losses on debt instruments should instead be clarified by a separate narrow-scope project to amend IAS 12.

Most recently, the IFRIC discussed this project at its meeting on May 14-15, 2013 and decided to recommend to the IASB that it should amend IAS 12 to clarify that deferred tax assets for unrealised losses on debt instruments are recognised, *unless* recovering the debt instrument by holding it until an unrealised loss reverses does not reduce future tax payments and instead only avoids higher tax losses (because it is not clear what the economic benefit embodied in the deferred tax asset is in such circumstances) .

In summary

Overview

Clarifying this issue requires addressing the question of whether an unrealized loss on a debt instrument measured at fair value gives rise to a deductible temporary difference specifically in the situation where the holder expects to recover the carrying amount of the asset by holding it to maturity and collecting all the contractual cash flows.

Available resources and links

- IASB Project Insights Summary
- IASB Project Summary

IASB/AcSB Amendment to IAS 19, Employee Benefits: Actuarial Assumption – Discount Rate

Proposed changes:	A narrow-scope project to amend IAS 19, *Employee Benefits*
Next steps:	No further work on this project is currently planned,
Published by:	IASB and AcSB
Last updated:	December 2013
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRSs)

Recent activities

Most recently, at its meeting on December 12, 2013, the IASB noted that its research project on discount rates is not likely to address the issue of determining the discount rate for post-employment benefit obligations directly, but the results of that project may be helpful in addressing that issue. The IASB will discuss the scope of its research project on discount rates in a future meeting. However, no further work is currently planned on the issue of determining the discount rate for post-employment benefit obligations.

In summary

Overview

This is a narrow-scope project to clarify the determination of the discount rate to be used when applying IAS 19, *Employee Benefits*, particularly around the requirement to use market yields on high quality corporate bonds or government bonds.

Available resources and links

- Deloitte Project Insights Summary
- IASB Project Summary

IASB/AcSB Amendments to IAS 28, Investments in Associates and Joint Ventures: Elimination of gains arising from 'downstream' transactions UPDATED

Proposed changes:	Amendments to IAS 28, Investments in Associates and Joint Ventures: Elimination of gains arising from 'downstream' transactions
Next steps:	Development of an ED, which is expected to be issued for comment in Q1/2014
Published by:	IASB and AcSB
Last updated:	January 2014
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRSs)

Recent activities

Most recently, at its meeting on January 21-23, 2014, the IASB staff explained the due process steps undertaken by the IASB in advance of publishing an ED. The IASB agreed that: (i) the ED should have a comment period of 120 days; and (ii) all of the due process requirements to date have been complied with.

At its July 2013 meeting, the IASB tentatively agreed with the recommendation from the IFRIC that an amendment to IAS 28 in respect of such situations was necessary.

In summary

Overview

The IFRIC received a request to clarify the accounting for a 'downstream' transaction between an entity and its joint venture in which the amount of the entity's share of the gain to be eliminated in accordance with paragraph 28 of IAS 28 exceeds the amount of entity's interest in the joint venture. Whether: (a) the gain from the transaction should be eliminated only to the extent that it does not exceed the carrying amount of the entity's interest in the joint venture, similarly to the requirement in paragraph 39 of IAS 28; or (b) the remaining gain in excess of the carrying amount of the entity's interest in the joint venture should also be eliminated and, if so, against what.

At its meetings in March and May of 2013, the IFRIC concluded that approach (b) was appropriate and the excess should be recorded as a "deferred gain". The IFRIC observed that IAS 28 does not provide sufficient guidance on this issue and decided to recommend to the IASB that it should make a narrow-scope amendment to IAS 28 in this regard.

Available resources and links

- Deloitte Project Insights Summary
- IASB Project Summary

IASB/AcSB Amendment to IFRS 13, Fair Value Measurement: Unit of Account

Proposed changes:	A narrow-scope project to amend IFRS 13, *Fair Value Measurement*
Next steps:	An ED is expected to be issued by the IASB in Q1/2014
Published by:	IASB and AcSB
Last updated:	December 2013
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRSs)

Recent activities

Most recently, at its meeting on December 12, 2013, the IASB discussed the application of the portfolio exception as set out in IFRS 13, *Fair Value Measurement*, for portfolios that comprise only Level 1 financial instruments whose market risks are substantially the same. The IASB tentatively decided that the measurement should be the one resulting from multiplying the net position by the Level 1 prices. The IASB also tentatively decided that the ED that clarifies the fair value measurement of quoted investments in subsidiaries, joint ventures and associates should include a non-authoritative example to illustrate the application of the portfolio exception for a portfolio that comprises only Level 1 financial instruments whose market risks are substantially the same.

At their meeting in March 2013, the IASB discussed this issue and tentatively decided (i) that the unit of account for investments in subsidiaries, joint ventures and associates is the investment as a whole; and (ii) that the fair value measurement of an investment composed of quoted financial instruments should be the product of the quoted price of the financial instrument multiplied by the quantity of instruments held.

In summary

Overview

This is a narrow-scope project to consider the unit of account for financial assets that are investments in subsidiaries, joint ventures and associates measured at fair value, in particular, whether the fair value of such investments should reflect the measurement of the investment as a whole or of the individual financial instruments included within that investment.

Available resources and links

- Deloitte Project Insights Summary
- IASB Project Summary

IASB/AcSB Annual Improvements 2013-2015 Cycle

Proposed changes:	Annual Improvements 2013-2015 Cycle
Next steps:	The IASB plans to issue its ED in Q3/2014
Published by:	IASB and AcSB
Last updated:	December 2013
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRSs)

Recent activities

At its meeting on December 12, 2013, the IASB tentatively decided to include an item in its ED relating to IFRS 1, *First-time Adoption of International Financial Reporting Standards re* Short term exemptions from IFRSs

In summary

Overview

Changes to standards, however small, are time-consuming for the Board and burdensome for others. The IASB has adopted the Annual Improvements process to deal efficiently with a collection of narrow scope amendments to IFRSs even though the amendments are unrelated. The IFRS Interpretations Committee reviews the proposed amendments within the annual improvements process and makes recommendations to the IASB before they are issued.

With respect to the 2013-2015 Cycle, at its meeting on December 12, 2013, the IASB tentatively decided to propose the deletion of the short-term exemptions in paragraphs E3-E7 of IFRS 1 with an effective date of annual periods beginning on or after 1 July 2016. It also tentatively decided to propose the deletion of the short-term exemption relating to the amendment to IFRS 7 Financial Instruments: Disclosures that was proposed in the ED Annual Improvements 2012-2014 Cycle published in December 2013, but with an effective date of annual periods beginning on or after 1 January 2018.

Available resources and links

- IASB Project Summary

IASB/AcSB Financial Instruments: Macro-hedging

Proposed changes:	The objective is to address risk management strategies referring to open portfolios (macro-hedging) which were not covered by the ED issued in December 2010 for general hedge accounting.
Next steps:	The IASB currently plans to issue a DP in Q1/2014.
Published by:	IASB and AcSB
Last updated:	November 2013
Applicable to:	Publicly accountable enterprises (and those other entities that choose to adopt IFRS)

Recent activities

Most recently, at its meeting on October 28-November 1, 2013, the IASB decided that the comment period for the DP should be 180 days. The IASB also stated that it is satisfied that it has completed all of the necessary steps to ensure that the DP is likely to meet its purpose and instructed the staff to prepare a draft of it for ballot.

In May 2012, this project was established as a separate project from the General Hedging project that is part of FRS 9 Phase III. Separating the two facilitates the completion of IFRS 9 whilst allowing the staff to elicit a broader range of accounting alternatives from a broader range of constituents on the accounting of macro hedging.

In summary

Overview

The objective of this project is to address risk management strategies referring to open portfolios (macro-hedging) which were not covered by the ED issued in December 2010 for general hedge accounting. The deliberation considers the feedback received on the general hedge accounting model.

The IASB received views from financial institutions and also from entities outside the financial sector that addressing situations in which entities use a dynamic risk management strategy was important. Dynamic risk management of open portfolios introduces complexity to the accounting for such hedges that cannot be accommodated within the IFRS 9 hedge accounting guidance for closed portfolios.

In line with the direction of the IASB discussions, a valuation approach is being explored, in which for accounting purposes the hedged risk position is identified and remeasured for changes in the hedged risk, recognising the gain or loss in profit or loss. The project aims to develop an accounting solution that both reflects how businesses manage risk dynamically, and helps users to understand these risk management activities.

Available resources and links

- Deloitte Project Insights Summary
- IASB Project Summary

Abbreviations, a list of most commonly used acronyms

AASB	Auditing and Assurance Standards Board
AASOC	Auditing and Assurance Standards Oversight Council
AcSOC	Accounting Standards Oversight Council
AcSB	Accounting Standards Board
ASC	Alberta Securities Commission
AMF	Autorité des marchés financiers
BCSC	British Columbia Securities Commission
CAS	Canadian Auditing Standard
CPRB	Canadian Performance Reporting Board
CSA	Canadian Securities Administrators
DP	Discussion Paper
DTI	Deposit-taking Institution
ED	Exposure Draft
EIC	Emerging Issues Committee
FAQ	Frequently Asked Questions
FRE	Federally Regulated Entities
FRFI	Federally Regulated Financial Institution
OSC	Ontario Securities Commission
OSFI	Office of the Superintendent of Financial Institutions Canada
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IAASB	International Auditing and Assurance Standards Board
IASC	International Accounting Standards Committee
IFAC	International Federation of Accountants
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
IIROC	Investment Industry Regulatory Organization of Canada
IPSAS	International Public Sector Accounting Standard
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standard on Auditing
ITC	Invitation to Comment
NFPO	Not-for-profit Organization
PSAB	Public Sector Accounting Board
RFI	Request for Information
SOP	Statement of Principles

Additional resources

The following Deloitte resources will assist you in maintaining your financial literacy throughout the year. To obtain more information about any of these resources, please communicate with your Deloitte partner or one of our contacts listed at the end of the publication.

Thought Leadership

Centre for Corporate Governance
This Web site is specifically designed to help board members with their responsibilities. It provides the latest information on regulatory and legislative developments, accounting and financial reporting, board roles and responsibilities, and best practices.
(www.CorpGov.Deloitte.ca)

Financial Reporting Assessment Tools
Comprehensive assessment tools to help management and Directors determine whether or not their organizations' financial statements and other financial filings meet all of the continuous disclosure obligations.
(http://www.corpgov.deloitte.com/site/CanEng/self-assessments-tools-and-other-resources/financial-reporting-tools/)

Periodicals

IFRS in Focus

We publish *IFRS in Focus* newsletters at the time of release of new and revised Standards and Interpretations, Exposure Drafts and discussion documents, including summaries of the documents and consideration of the principal amendments/proposals.

(http://www.iasplus.com/en/tag-types/global-publications/ifrs-in-focus-newsletters)

DeloitteLINK
A weekly e-newsletter that helps you stay on top of standard-setting initiatives.
(http://www.corpgov.deloitte.com/site/CanEng/deloitte-periodicals/deloittelink/)

Deloitte Update
Our new live webcast series featuring our professionals discussing critical issues that affect your business.
(http://www.corpgov.deloitte.com/site/CanEng/financial-reporting/deloitte-update/)

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