

Audit

IAS Plus.

Published for our clients and staff globally

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IAS Plus website

Over 6.7 million people have visited our www.iasplus.com web site for the latest news about international financial reporting. Please check in regularly.

International financial reporting news

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News from IFAC: IAASB: Revised ISAs and 2009-2011 strategic plan. IESBA: Proposed revision of IFAC Code of Ethics (page 15).

IFRS-related news from the United States: SEC: Official comments on IFRSs and US companies (page 16). AICPA Council designates IASB as recognised standard setter. PCAOB: New rules on auditor independence (page 17).

News about IFRSs in Europe: ARC: Endorsement of IFRSs. EC: Report on IAS Regulation (page 18). ECOFIN resolution on IASB governance (page 19). EC: Proposal regarding "third country" GAAPs in the EU. EC: Effect studies on IASB pronouncements (page 20). EC: Recommendation on limiting auditor liability. CESR: Summary of IFRS enforcement decisions (page 21).

Use of IFRSs elsewhere in the world: Summary. Argentina. Iraq (page 22). Canada (page 23).

IFRS publications from Deloitte: iGAAP 2008 Financial Instruments. Guide to IFRS 3 and IAS 27. IFRSs in your pocket 2008 (page 24). Special editions of IAS Plus newsletter. Comparison of IFRSs and Indian GAAP. Comparison of IFRSs and Thailand GAAP. Comparison of IFRSs and Dutch GAAP (page 25). Deloitte guidance on use of IFRSs in the US. Deloitte guidance on transition to IFRSs in Canada. Illustrative financial reports using Australian standards. Update on accounting matters in South Africa (page 26).

For information about the content of IAS Plus (Global) please contact: Carsten Friedrich, Editor: iasplusnewsletter@deloitte.co.uk

IASB PROJECT TIMETABLE – ACTIVE PROJECTS	
Annual improvements	<ul style="list-style-type: none"> • Exposure Draft (ED) expected third quarter 2008
Common control transactions	<ul style="list-style-type: none"> • Added to agenda December 2007
Conceptual Framework Eight phases in all: <ul style="list-style-type: none"> • A: Objective and qualitative characteristics • B: Elements and recognition • C: Measurement • D: Reporting entity • E: Presentation and disclosure • F: Purpose and status of framework • G: Applicability to not-for-profit entities • H: Other issues, if necessary 	<ul style="list-style-type: none"> • ED on objectives and qualitative characteristics issued 29 May 2008. Final chapter expected first half 2009 • Discussion Paper (DP) on reporting entity issued 29 May 2008. ED expected second half 2009 • DP on measurement expected first half 2009 • DP on elements and recognition expected second half 2009
Consolidation, including SPEs*	<ul style="list-style-type: none"> • DP expected fourth quarter 2008
Earnings per share amendment	<ul style="list-style-type: none"> • ED expected third quarter 2008
Emission trading schemes	<ul style="list-style-type: none"> • Added to agenda December 2007 • ED expected second half 2009
Fair value measurement guidance*	<ul style="list-style-type: none"> • DP issued 30 November 2006 • Roundtables planned fourth quarter 2008 • ED expected first half 2009
Financial instruments: eligible hedged items	<ul style="list-style-type: none"> • ED issued 6 September 2007 • Final IFRS expected third quarter 2008
Financial statement presentation* Phase B: Presentation on the face of financial statements	<ul style="list-style-type: none"> • Working group appointed in 2005 • DP expected third quarter 2008
Government grants	<ul style="list-style-type: none"> • Work deferred pending IAS 37 amendments project
IFRS for private entities (formerly: IFRS for Small and Medium-sized Entities)	<ul style="list-style-type: none"> • ED issued 15 February 2007 • Final IFRS expected first half 2009
IFRS 1 - additional exemptions	<ul style="list-style-type: none"> • ED expected third quarter 2008
IFRS 2 amendment – Group Cash-settled Share-based Payment Transactions	<ul style="list-style-type: none"> • ED issued 13 December 2007 • Final IFRS expected first half 2009
IFRS 5 amendments	<ul style="list-style-type: none"> • ED expected third quarter 2008
Income taxes	<ul style="list-style-type: none"> • ED expected fourth quarter 2008
Insurance contracts – Phase II	<ul style="list-style-type: none"> • DP issued 3 May 2007 • ED expected second half 2009
Joint ventures	<ul style="list-style-type: none"> • ED 9 Joint Arrangements issued 13 September 2007 • Final IFRS expected first half 2009
Leases*	<ul style="list-style-type: none"> • DP expected fourth quarter 2008
Liabilities (IAS 37 amendments)	<ul style="list-style-type: none"> • EDs issued June 2005 • Final IFRS expected 2010

Management commentary	<ul style="list-style-type: none"> • DP issued October 2005 • ED expected fourth quarter 2008 • Output will be best practice guidance, not an IFRS
Post-employment benefits (including pensions)*	<ul style="list-style-type: none"> • Working Group was formed March 2007 • DP issued 27 March 2008 • ED expected second half 2009
Related party disclosures	<ul style="list-style-type: none"> • ED issued February 2007 • Final IFRS expected fourth quarter 2008
Revenue recognition*	<ul style="list-style-type: none"> • DP expected third quarter 2008

IASB PROJECT TIMETABLE – RESEARCH AGENDA

<i>Projects agreed in the February 2006 IASB-FASB convergence agreement:</i>	
Derecognition*	<ul style="list-style-type: none"> • Staff research ongoing
Financial instruments*	<ul style="list-style-type: none"> • Working group appointed • DP issued 19 March 2008
Intangible assets*	<ul style="list-style-type: none"> • Decision in December not to add to agenda but continue as research project
Liabilities and equity*	<ul style="list-style-type: none"> • DP issued 28 February 2008 • ED expected second half 2009
<i>Other IASB Research Projects:</i>	
Extractive activities	<ul style="list-style-type: none"> • Group of national standard setters conducting research • DP expected fourth quarter 2008

* IASB projects with milestones agreed in the February 2006 IASB-FASB Memorandum of Understanding on convergence – download the MoU at www.iasplus.com/pressrel/0602roadmapmou.pdf.

This timetable is derived from the IASB's published timetable supplemented by decisions and comments made at recent meetings of the Board. You will find details on each project, including decision summaries from each Board meeting, at www.iasplus.com/agenda/agenda.htm.

You can order the CD-ROM on the IASB's website:
<http://buy.iasb.org/>

The price is £80 plus shipping. Discounts apply to low and middle income jurisdictions and multiple orders.

Click here for the corrections:
www.iasb.org/International+Accounting+Standards+Board+-+IASB+Editorial+Corrections.htm

Click here for the press release:
www.iasplus.com/pressrel/0805ifrs1separatepr.pdf

We have published a special edition of the IAS Plus newsletter summarising the amended standards. You can find it here:

www.iasplus.com/iasplus/0805ifrs1ias27.pdf

Click here for the press release:
www.iasplus.com/pressrel/0805improvements.pdf

We have published a special edition of the IAS Plus newsletter summarising the amended standards. You can find it here:

www.iasplus.com/iasplus/0805improvements.pdf

IASB News

2008 IFRSs CD ROM

The CD-ROM of 2008 IFRSs is now available for purchase from the IASC Foundation. The CD includes all IFRSs, IASs, and IFRIC and SIC Interpretations approved at January 2008, as well as all the latest IASB Exposure Drafts, IFRIC draft Interpretations, and Discussion Papers issued at 31 March 2008.

Editorial corrections to 2008 Bound Volume and IAS 32 amendment

The IASB has posted a list of editorial corrections and changes to the 2008 *International Financial Reporting Standards* Bound Volume and the *Amendments to IAS 32 Financial Instruments: Presentation, and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation* published in February 2008.

IFRS 1 and IAS 27 amendments

The IASB has amended IFRS 1 *First-time Adoption of IFRSs* and IAS 27 *Consolidated and Separate Financial Statements* to change the way the cost of an investment in the separate financial statements is measured on first-time adoption of IFRSs. The Board made the amendments because retrospectively determining cost and applying the cost method in accordance with IAS 27 on first-time adoption of IFRSs cannot, in some circumstances, be achieved without undue cost or effort. The amendments are effective for annual periods beginning on or after 1 January 2009. Earlier application is permitted.

The main changes to IFRS 1 and IAS 27 are:

- Allow first-time adopters to use a "deemed cost" of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities, and associates in the separate financial statements. First-time adopters are permitted to choose which measurement to use for each investment on an individual basis.
- Remove the definition of the cost method from IAS 27 and replace it with a requirement to present dividends as income in the separate financial statements of the investor.
- Require that, when a new parent is formed in a reorganisation, the new parent must measure the cost of its investment in the previous parent at the carrying amount of its share of the equity items of the previous parent at the date of the reorganisation.

Improvements to IFRSs 2008

The IASB has published final amendments to 20 IFRSs resulting from the Board's Annual Improvements Project. The IASB's annual improvements project provides a vehicle for making non-urgent but necessary minor amendments to IFRSs. The effective date for most amendments is annual periods beginning on or after 1 January 2009.

The improvements are of two broad types:

- Amendments that result in accounting changes in presentation, recognition, or measurement. The topics for these are listed in the table below.
- Terminology or editorial changes that have no or minimal effect on accounting. These affected IFRS 7, IAS 8, IAS 10, IAS 18, IAS 20, IAS 29, IAS 34, IAS 40 and IAS 41.

Improvements to IFRSs for presentation, recognition or measurement	
IFRS	Topic of amendment
IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	<ul style="list-style-type: none"> Plan to sell the controlling interest in a subsidiary
IAS 1 <i>Presentation of Financial Statements</i>	<ul style="list-style-type: none"> Current/non-current classification of derivatives
IAS 16 <i>Property, Plant and Equipment</i>	<ul style="list-style-type: none"> Recoverable amount Sale of assets held for rental
IAS 19 <i>Employee Benefits</i>	<ul style="list-style-type: none"> Curtailments and negative past service cost Plan administration costs Replacement of term “fall due” Guidance on contingent liabilities
IAS 20 <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	<ul style="list-style-type: none"> Government loans with a below-market rate of interest
IAS 23 <i>Borrowing Costs</i>	<ul style="list-style-type: none"> Components of borrowing costs
IAS 27 <i>Consolidated and Separate Financial Statements</i>	<ul style="list-style-type: none"> Measurement of subsidiary held for sale in separate financial statements
IAS 28 <i>Investments in Associates</i>	<ul style="list-style-type: none"> Required disclosures when investments in associates are accounted for at fair value through profit or loss Impairment of investment in associate
IAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	<ul style="list-style-type: none"> Description of measurement basis in financial statements
IAS 31 <i>Interests in Joint Ventures</i>	<ul style="list-style-type: none"> Required disclosures when interests in jointly controlled entities are accounted for at fair value through profit or loss
IAS 36 <i>Impairment of Assets</i>	<ul style="list-style-type: none"> Disclosure of estimates used to determine recoverable amount
IAS 38 <i>Intangible Assets</i>	<ul style="list-style-type: none"> Advertising and promotional activities Units of production method of amortisation
IAS 39 <i>Financial Instruments: Recognition and Measurement</i>	<ul style="list-style-type: none"> Reclassification of derivatives into or out of the classification of at fair value through profit or loss Designating and documenting hedges at the segment level Applicable effective interest rate on cessation of fair value hedge accounting
IAS 40 <i>Investment Property</i>	<ul style="list-style-type: none"> Property under construction or development for future use as investment property
IAS 41 <i>Agriculture</i>	<ul style="list-style-type: none"> Discount rate for fair value calculations Additional biological transformation

Click here for the joint press release:

www.iasplus.com/pressrel/0805framework.pdf

Two conceptual framework proposals

The IASB and the US FASB have published similar consultative documents on two of the eight phases of their joint project to develop an improved conceptual framework. The framework will provide a foundation for developing future accounting standards. The two consultative documents are:

- Exposure Draft (ED) Chapters 1 and 2 of the Conceptual Framework (Objective and Qualitative Characteristics)
- Discussion Paper (DP) Preliminary Views on the reporting entity concept

The IASB and the FASB invite comments on both documents by 29 September 2008.

Exposure Draft on Objective and Qualitative Characteristics

This ED addresses the objective of financial reporting, the qualitative characteristics of information provided by financial reporting, and constraints on the provision of that information. The ED reflects the Boards' updated proposals in the light of comments received on an initial consultation document published in July 2006.

The ED proposes the following objective of financial reporting:

The objective of general purpose financial reporting is to provide financial information about the reporting entity that is useful to present and potential equity investors, lenders and other creditors in making decisions in their capacity as capital providers. Capital providers are the primary users of financial reporting. To accomplish the objective, financial reports should communicate information about an entity's economic resources, claims on those resources, and the transactions and other events and circumstances that change them. The degree to which that financial information is useful will depend on its qualitative characteristics.

The ED also presents an improved description of "faithful representation" – one of the qualitative characteristics that financial information should possess if it is to provide a useful basis for economic decisions:

To be useful in financial reporting, information must be a faithful representation of the economic phenomena that it purports to represent. Faithful representation is attained when the depiction of an economic phenomenon is complete, neutral, and free from material error. Financial information that faithfully represents an economic phenomenon depicts the economic substance of the underlying transaction, event or circumstances, which is not always the same as its legal form.

The DP can be downloaded from the IASB's website:
www.iasb.org

Discussion Paper on the reporting entity concept

The second document published sets out the boards' preliminary views on the reporting entity concept and related issues. Although the reporting entity concept determines some important aspects of financial reporting, the boards' existing frameworks do not address it specifically. The boards' preliminary views are:

- A reporting entity is a circumscribed area of business activity of interest to present and potential equity investors, lenders and other capital providers.
- Control is the basis for determining the composition of a group reporting entity.
- Consolidated financial statements should be prepared from the perspective of the group reporting entity.

Our View - Deloitte Letters of Comment

Deloitte letters of comment to the IASB, IFRIC, IASCF, IASC, and SIC may be found here:

www.iasplus.com/dttletr/comment.htm

IFRIC D23 Distributions of Non-cash Assets to Owners

IFRIC D23 proposes that all types of distributions of non-cash assets to owners would be measured at the fair value of the assets distributed.

Here is an excerpt from our comment letter:

We agree with and support the consensus proposed in the Draft Interpretation to measure a liability to distribute non-cash assets as dividends to its owners at fair value, with any difference between the fair value of the liability and the carrying amount of the non-cash assets being recognised in profit or loss. We also agree that the entity should apply the requirements of IFRS 5 to non-current assets held for distribution to owners. However, we have a number of concerns with the consensus that are outlined in appendices to our letter.

IFRIC D24 Customer Contributions

IFRIC D24 proposes that if an entity receives assets that it uses to provide access to an ongoing supply of goods or services to a customer, the entity should recognise the contributed assets and revenue from providing access to the supply of goods or services over the period access is provided. Our letter does not support IFRIC's proposed consensus. We recommend that IFRIC not issue an Interpretation at this time but, instead, address the issue narrowly in an Agenda Decision. We suggest a proposed wording for the Agenda Decision.

Here is an excerpt from our comment letter:

We have reservations about the IFRIC's approach to this issue. The Interpretation does not clearly establish the principles on which it is based and, accordingly, the appropriate application of the proposed Interpretation is not always clear. In the absence of such clear principles, there is a danger that the Interpretation may be applied as a set of arbitrary rules, and may lead to practices which conflict with the principles of IAS 18.

For this reason, as explained in more detail below, we believe that it is best for the IFRIC not to proceed with the Interpretation but to address this issue for the time being in an Agenda Decision.

It appears to us that the IFRIC initially intended to address, in situations in which an entity receives a specific item of property, plant and equipment that must be used to provide access to a supply of goods or services, whether the recipient should recognise such an asset at fair value and how to account for the resulting credit. The IFRIC later extended this to circumstances where an entity receives cash to fund the acquisition or construction of that specific asset.

However, we believe that the Interpretation as currently drafted has a much wider scope without providing robust principles for all situations that may fall in that scope.

Comment letter to the SEC

Deloitte has submitted a letter responding to the US Securities and Exchange Commission's (SEC) proposed rule *Foreign Issuer Reporting Enhancements*. The SEC Release proposes several amendments relating to the current filing and disclosure requirements of foreign private issuers (FPIs).

Here is an excerpt from our comment letter:

The movement toward IFRSs as a basis for financial reporting in jurisdictions outside the United States will affect many of these proposals. Accordingly, we suggest that to achieve a more consistent transition, the Commission give particular attention to transitioning certain of the proposals in the release to correspond with when FPIs are required to use IFRSs.

Although the Commission is not proposing a broader current reporting disclosure regime for FPIs, we believe that current reporting requirements should be given further consideration, preferably in a separate release. Currently, FPIs are not subject to the disclosure requirements of Form 8-K. Instead they are subject to the requirements of Form 6-K, whose disclosure derive from information made public in the issuer's home country. This disclosure regime differs substantively from the 'current' disclosure regime of domestic registrants. We believe that the current reporting requirements for multinational companies that have reporting obligations in many jurisdictions should be consistent. Therefore, we encourage the SEC to work through the International Organization of Securities Commissions to address the broader issue of current reporting requirements by companies listed across borders.

Deloitte letters of comment to the IAASB may be found here: www.iasplus.com/dttletaudit/commentaudit.htm

Comment letters to the IAASB

Deloitte has recently submitted letters of comment to the International Auditing and Assurance Standards Board (IAASB) on the following proposed International Standards on Auditing (ISAs):

- Proposed ISA 210 (Redrafted) *Agreeing the Terms of Audit Engagements*
- Proposed ISA 265 *Communicating Deficiencies in Internal Control and Related Conforming Amendments to Other ISAs*
- Proposed ISA 402 *Audit Considerations Relating to an Entity Using a Third Party Service Organization*
- Proposed ISA 501 (Redrafted) *Audit Evidence Regarding Specific Financial Statement Account Balances and Disclosures*
- Proposed ISA 520 (Redrafted) *Analytical Procedures*
- Proposed ISA 710 (Redrafted) *Comparative Information – Corresponding Figures and Comparative Financial Statements*

News from IFRIC

Click here for the press release:

www.iasplus.com/pressrel/0804ifric.pdf

We have published a special edition of the IAS Plus newsletter summarising IFRIC 15. You can find it here: www.iasplus.com/iasplus/0807ifric15.pdf

IFRIC 15 on agreements for construction of real estate

The IFRIC has issued an Interpretation, IFRIC 15 *Agreements for the Construction of Real Estate*. IFRIC 15 standardises accounting practice across jurisdictions for the recognition of revenue by real estate developers for sales of units, such as apartments or houses, “off plan” – that is, before construction is complete. IFRIC 15 is effective for annual periods beginning on or after 1 January 2009 and must be applied retrospectively. Earlier application is permitted.

The key provisions and implications of IFRIC 15 are:

- **Fundamental issue.** The fundamental issue is whether the developer is selling goods – the completed apartment or house – or is selling a service – a construction service as a contractor engaged by the buyer. Revenue from selling goods is normally recognised at delivery. Revenue from selling services is normally recognised on a percentage-of-completion basis as construction progresses. IFRIC 15 provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 *Construction Contracts* or IAS 18 *Revenue* and, accordingly, when revenue from the construction should be recognised.
- **IAS 11 or IAS 18?** An agreement for the construction of real estate is a construction contract within the scope of IAS 11 only when the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress (whether it exercises that ability or not). If the buyer has that ability, IAS 11 applies. If the buyer does not have that ability, IAS 18 applies.
- **If IAS 18, service or goods?** Even if IAS 18 applies, the agreement may be to provide construction services rather than goods. This would likely be the case, for instance, if the entity is not required to acquire and supply construction materials. If the entity is required to provide services together with construction materials in order to perform its contractual obligation to deliver real estate to the buyer, the agreement for the sale of goods under IAS 18.
- **Implications of IFRIC 15.** The main expected change in practice is a shift for some entities from recognising revenue as construction progresses to recognising revenue at a single time – at completion upon or after delivery. Agreements that will be affected will be mainly those currently accounted for in accordance with IAS 11 that do not meet the definition of a construction contract as interpreted by the IFRIC and do not transfer to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses.

Click here for the press release:

www.iasplus.com/pressrel/0807ifric16pr.pdf

We have published a special edition of the IAS Plus newsletter summarising IFRIC 16. You can find it here: www.iasplus.com/iasplus/0807ifric16.pdf

IFRIC 16 on hedges of a net investment in a foreign operation

The IFRIC has issued an Interpretation, IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*. Currently, practice has diverged as a result of differing views on which risks are eligible for hedge accounting under IAS 39. IFRIC 16 is effective for annual periods beginning on or after 1 October 2008 and may be applied prospectively. Earlier application is permitted.

IFRIC 16 clarifies three main issues:

- Whether risk arises from (a) the foreign currency exposure to the functional currencies of the foreign operation and the parent entity, or from (b) the foreign currency exposure to the functional currency of the foreign operation and the presentation currency of the parent entity's consolidated financial statements.

IFRIC 16 concludes that the presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.

- Which entity within a group can hold a hedging instrument in a hedge of a net investment in a foreign operation and in particular whether the parent entity holding the net investment in a foreign operation must also hold the hedging instrument.

IFRIC 16 concludes that the hedging instrument(s) may be held by any entity or entities within the group (other than the foreign operations that is itself being hedged).

- How an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item when the entity disposes of the investment.

IFRIC 16 concludes that while IAS 39 must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 must be applied in respect of the hedged item.

Click here for a complete list of IFRIC members:

www.iasplus.com/restruct/ifric.htm

Three new IFRIC members appointed

The Trustees of the IASC Foundation have appointed three new members of the International Financial Reporting Interpretations Committee (IFRIC) effective 1 July 2008:

- **Luca Cencioni**, Senior Accounting Manager, Eni, Italy
- **Jean Paré**, Vice President, Financial Reporting, Bombardier, Canada
- **Joanna Perry**, a company director and current Chair, Financial Reporting Standards Board, New Zealand.

The appointments are for three year terms ending on 30 June 2011 with eligibility for one renewal term.

Except for administrative and personnel matters, all of these meetings are open to public observation. Registration forms are on IASB's website: www.iasb.org

IASB and IFRIC meetings are also webcast.

Upcoming meeting dates

IASB and SAC MEETINGS 2008	
London, UK	22 to 25 July 2008
London, UK	11 to 12 September 2008 – World Standard Setters Meeting
London, UK	15 to 19 September 2008
London, UK	13 to 17 October 2008
Norwalk, CT, USA	20 to 22 October 2008 – Joint IASB/FASB Meeting
London, UK	13 to 14 November 2008 with the Standards Advisory Council, 17 to 21 November 2008
London, UK	15 to 19 December 2008
IASB and SAC MEETINGS 2009	
London, UK	19 to 23 January 2009
London, UK	16 to 20 February 2009 and 23 to 24 February with the Standards Advisory Council
London, UK	16 to 20 March 2009
London, UK	23 to 25 March – Joint IASB/FASB Meeting
London, UK	20 to 24 April 2009
London, UK	18 to 22 May 2009
London, UK	15 to 19 June 2009 and 22 to 23 June with the Standards Advisory Council
London, UK	20 to 24 July 2009
London, UK	10 to 11 September 2009 – World Standard Setters Meeting
London, UK	14 to 18 September 2009
London, UK	19 to 23 October 2009
Norwalk, CT, USA	26 to 28 October 2009 – Joint IASB/FASB Meeting
London, UK	12 to 13 November 2009 with the Standards Advisory Council, 16 to 20 November 2009
London, UK	14 to 18 December 2009
IFRIC MEETINGS 2008	
London, UK	4 to 5 September 2008
London, UK	6 to 7 November 2008
IFRIC MEETINGS 2009	
London, UK	8 to 9 January 2009
London, UK	5 to 6 March 2009
London, UK	7 to 8 May 2009
London, UK	9 to 10 July 2009
London, UK	3 to 4 September 2009
London, UK	5 to 6 November 2009

Upcoming meeting dates (continued)

IASC FOUNDATION TRUSTEES MEETINGS 2008	
Beijing, China	9 to 10 October 2008
IASC FOUNDATION TRUSTEES MEETINGS 2009	
New Delhi, India	15 to 16 January 2009
London, UK	1 to 2 April 2009
Amsterdam, Netherlands	7 to 8 July 2009
New York, NY, USA	7 to 8 October 2009

IASC Foundation News

Click here to download the report from the IASB's website:
www.iasb.org

IASCF publishes 2007 annual report

The IASC Foundation (IASCF), under which the IASB operates, has published its annual report for 2007. The 63-page report includes an overview of the Trustees' oversight activities for 2007, as well as reports of the Chairman of the IASC Foundation Trustees and the IASB Chairman, and audited financial statements.

Other News

Click here for our credit crunch page:
www.iasplus.com/crunch/creditcrunch.htm

“Credit Crunch” developments

There is a page on IAS Plus dedicated to tracking recommendations and resources relating to the Credit Crunch – the recent turmoil in the world's financial markets and responses to it from various international, regional, and national agencies.

To re-establish confidence in the soundness of markets and financial institutions, regional and national authorities have taken exceptional steps with a view to facilitating adjustment and dampening the impact on the real economy. These have included monetary and fiscal stimulus, central bank liquidity operations, policies to promote asset market liquidity and actions to resolve problems at specific institutions. Financial institutions have taken steps to rebuild capital and liquidity cushions. And both national and international organizations have developed recommendations and resources aimed at reducing the likelihood that this situation would recur. Some of those recommendations and resources relate to financial reporting and disclosure.

Some of the recent developments are outlined below. We have more information on our Credit Crunch page including an index with links to publications from October 2007 onwards.

FSF recommendations accounting for off-balance sheet entities

The Financial Stability Forum (FSF), a global organisation of regulators and central bankers, has submitted a *Report on Enhancing Market and Institutional Resilience* to the G7 Ministers and Central Bank Governors. The IASB participated in preparing the report. The report analyses the causes and weaknesses that have produced the recent turmoil in financial markets worldwide and makes recommendations for correcting those weaknesses.

- Strengthened prudential oversight of capital, liquidity and risk management
- Enhancing transparency and valuation
- Changes in the role and uses of credit ratings
- Strengthening the authorities' responsiveness to risks
- Robust arrangements for dealing with stress in the financial system

Regarding accounting and disclosure standards for off-balance sheet entities, the report concludes that the IASB should improve the accounting and disclosure standards for off-balance sheet vehicles on an accelerated basis and work with other standard setters toward international convergence.

Regarding valuations, the report concludes that international standard setters should enhance accounting, disclosure and audit guidance for valuations.

Click for the press release and a summary of the recommendations:
www.iasplus.com/resource/0804fsfpr.pdf

Click here for more information on the IASB's website:

www.iasb.org

Click here for the press release:

www.iasplus.com/iosco/0805ioscosubprimepr.pdf

Click here for the IOSCO report:

www.iasplus.com/iosco/0805ioscosubprimereport.pdf

Click here to download the papers:

www.iasplus.com/crunch/0804jointforumretail.pdf

www.iasplus.com/crunch/0804jointforumrisk.pdf

www.iasplus.com/crunch/0804creditrisktransfer.pdf

“Credit Crunch” developments (continued)

New IASB expert panel on valuation of financial instruments

The IASB has formed an expert advisory panel on valuation of financial instruments in inactive markets, in response to recommendations made by the FSF. The panel comprises experts from preparers and users of financial statements as well as regulators and auditors.

The new panel will assist the IASB in:

- reviewing best practices in the area of valuation techniques, and
- formulating any necessary additional practice guidance on valuation methods for financial instruments and related disclosures when markets are no longer active.

The panel met for the first time on 13 June 2008 to identify specific valuation and disclosure issues encountered in practice in the current market environment. The meeting was held in private, but the IASB has released a digest of the panel's discussion on its Website.

IOSCO recommendations to address “subprime crisis”

The International Organization of Securities Commissions (IOSCO) has published the final report of its Technical Committee's Task Force on the Subprime Crisis. The report contains an analysis of the underlying causes of the crisis, the implications for international capital markets, and recommendations that address the issues facing securities regulators. The report includes recommendations by the Technical Committee for future IOSCO work to counter these issues in three areas, including accounting. These are:

- Issuer transparency and investor due diligence.
- Firm risk management and prudential supervision.
- Valuation and accounting issues.

Joint Forum papers

The Joint Forum – a consortium of the Basel Committee, IOSCO, and IAIS – has released the following papers:

Customer Suitability in the Retail Sale of Financial Products and Services. The report considers how supervisors and regulated firms across the banking, securities, and insurance sectors deal with risks posed by the sale of unsuitable retail financial products.

Cross-sectoral Review of Group-wide Identification and Management of Risk Concentrations. This paper expands on previous reports and explores the extent to which financial conglomerates active in two or more of the banking, securities, and insurance sectors currently identify, measure, and manage risk concentrations at the firm-wide level and across the major risks to which these firms are exposed.

Credit Risk Transfer (CRT) – Developments from 2005 to 2007. The paper updates a 2005 paper to reflect the continued growth and rapid innovation in the CRT markets.

News from IFAC

Click here for the press releases:

www.iasplus.com/ifac/0807/iaasbstrategicplan.pdf

www.iasplus.com/ifac/0807/iaasbisa.pdf

The Strategy and Work program can be downloaded from the IFAC's website:

www.ifac.org/store

IAASB: Four revised ISAs and 2009-2011 strategic plan

The International Auditing and Assurance Standards Board (IAASB) has published the IAASB's *Strategy and Work Program* for the period 2009-2011 and four final International Standards on Auditing (ISAs) as part of the IAASB's Clarity Project.

The IAASB's 2009-2011 strategy focuses on three areas:

- The development of standards;
- The facilitation and monitoring of adoption of those standards; and
- Responding to concerns about the implementation of the standards by activities designed to improve the consistency with which they are applied in practice.

The four final ISAs are:

- ISA 250 (Redrafted) *Consideration of Laws and Regulations in an Audit of Financial Statements*
- ISA 510 (Redrafted) *Initial Audit Engagements—Opening Balances*
- ISA 550 (Revised and Redrafted) *Related Parties*. The revision of this ISA clarifies the meaning of 'related party' and explains the auditor's responsibility to obtain sufficient evidence about the required accounting and disclosure of related party relationships and transactions and to understand how such relationships and transactions affect the view given by the financial statements.
- ISA 570 (Redrafted) *Going Concern*

The four new ISAs, along with all of the other 'clarified' ISAs, will be effective for audits of financial statements for periods beginning on or after 15 December 2009.

IESBA: Proposed revision of IFAC Code of Ethics

The International Ethics Standards Board for Accountants (IESBA) has published for comment a complete rewrite of the IFAC Code of Ethics for Professional Accountants. The changes are intended to enhance the clarity of the Code by:

- making clear the specific requirements that are contained in the Code, and
- explaining the application of the Code's conceptual framework.

The proposed changes resulted from the IESBA's project to improve the drafting conventions of the Code. Comments are requested only on the proposed changes to the Code that are the result of its drafting conventions project, not on the Code itself.

The IESBA proposes that the revised Code be effective on 15 December 2010, with earlier adoption encouraged. That date will be approximately 18 months after the planned issuance of the document (currently projected to be June 2009).

Comments on the exposure draft are requested by 15 October 2008.

Click here for the press release:

www.iasplus.com/ifac/0807/ethicscodepr.pdf

The exposure draft can be downloaded here:

www.ifac.org/EDs

IFRS-related news from the United States

SEC: Official comments on IFRSs and US companies

Click here for Mr. Cox's speech:
www.iasplus.com/usa/sec/0806coxdisclosure.pdf

In a speech at a conference sponsored by the Chartered Financial Analysts Institute, SEC Chairman Christopher Cox announced that the SEC expects to propose rules, some time in the third quarter of 2008, concerning the use of IFRSs by domestic US SEC registrants. Chairman Cox made that comment in an address titled *Disclosure from the User's Perspective*.

Here is an excerpt from Chairman Cox's remarks:

The support that you've shown for the implementation of interactive data reporting not only in the United States but around the world has been matched by your consistent support for the international convergence of accounting standards, in particular US GAAP and IFRS. You have been supportive of our decision to eliminate the reconciliation to US GAAP for financial statements prepared using IFRS, and you have offered helpful insights on our Concept Release on whether, and under what circumstances, US issuers should be allowed to prepare their financial statements using IFRS. That's a vitally important topic the Commission is scheduled to take up in the form of a proposed rulemaking later this summer.

Click here to download Mr. White's presentation:
www.iasplus.com/usa/sec/0806white.pdf

John W. White, Director of the Division of Corporation Finance of the SEC spoke about *IFRS and US Companies: A Look Ahead* at the Financial Executives International's Global Financial Reporting Convergence Conference in New York. His remarks focussed on the policy level implications of the possible use of IFRSs by US companies. Mr White's concluding comment:

I truly believe that the endpoint will be US issuers using IFRS and that it is time to move in this direction. The SEC can provide leadership by planning now for how that result might be brought about, which in turn could provide US issuers with greater clarity in this area.

Click here for the press release:

www.iasplus.com/usa/aicpa/0805rule203.pdf

AICPA Council designates IASB as a recognised standard setter

The governing Council of the American Institute of CPAs (AICPA) has voted to designate the IASB as the recognised accounting standard setter for purposes of establishing international financial accounting and reporting principles. Technically, the Council's vote amends AICPA Ethics Rules 202 and 203, thereby providing AICPA members with the option to use IFRSs without any need to reconcile to US GAAP figures.

Under Rule 202, a member who performs professional services shall comply with the standards promulgated by the designated bodies. Additionally, a member may not say that financial statements are in accordance with generally accepted accounting principles unless they follow the standards promulgated by a standard setter listed in Appendix A of Rule 203.

This designation applies to all IFRSs, including the planned IFRS for Private Entities. With the Council's vote to designate the IASB, the AICPA's Auditing Standards Board and Accounting and Review Services Committee will now prepare clarifying language on how to modify audit, review, and compilation reports when reporting on financial statements prepared in accordance with IFRSs.

Other bodies designated by Council to promulgate accounting standards under Rules 202 and 203 are:

- The Financial Accounting Standards Board (FASB)
- The Governmental Accounting Standards Board (GASB)
- The Federal Accounting Standards Advisory Board (FASAB)

– all US-based.

Click here for the press release:

www.iasplus.com/usa/pcaob/0804independence.pdf

PCAOB: New rules on auditor independence

The US Public Company Accounting Oversight Board (PCAOB) has voted to adopt a new rule on *Communication with Audit Committees Concerning Independence* and to amend its existing rule on *Tax Services for Persons in Financial Reporting Oversight Roles*.

Communication with Audit Committees. This rule will require a registered public accounting firm, before accepting an initial engagement pursuant to the standards of the PCAOB and annually thereafter, to describe in writing to the audit committee all relationships between the firm or any of its affiliates and the issuer or persons in a financial reporting oversight role at the issuer that may reasonably be thought to bear on the firm's independence. Registered firms will also be required to discuss with the audit committee the potential effects of any such relationships on the firm's independence.

Tax Services. This amendment excludes from the scope of the rule tax services provided during the portion of the audit period that precedes the beginning of the professional engagement period. As originally adopted by the Board, the rule provided that a registered public accounting firm is not independent of its audit client if it or any of its affiliates provides any tax service to a person in a financial reporting oversight role or an immediate family member of such a person during the audit and professional engagement period. The Board determined that providing tax services to such a person during the portion of the audit period preceding the beginning of the professional engagement period does not necessarily impair a firm's independence.

These rules must be approved by the SEC.

News about IFRSs in Europe

ARC: Endorsement of IFRSs

The European Commission's Accounting Regulatory Committee (ARC) met on 11 July 2008. Here are meeting highlights:

- By formal votes, it agreed to recommend endorsement of the following pronouncements for use in the European Union: IAS 1 (revised 2007), IAS 23 (revised 2007), IFRS 2 (revised 2008), IFRIC 13, and IFRIC 14. EFRAG has also recommended that those pronouncements be adopted. They will now continue through the next step in the adoption process – the European Parliament's Regulatory Procedure with Scrutiny Committee. IFRIC 14 is effective for calendar 2008 financial years, IFRIC 13 for years beginning 1 July 2008, and the others starting in 2009.
- IFRIC 12, which is effective for annual periods beginning on or after 1 January 2008, was discussed, but discussions will continue at the ARC's October meeting.
- Draft proposals for reorganising EFRAG were agreed and will be issued as a consultation document in third quarter 2008.

Click here to download the report:

www.iasplus.com/europe/0804reportonias.pdf

EC: Report on IAS Regulation

The European Commission (EC) has submitted to the European Council and European Parliament (EP) a *Report on the Operation of Europe's IAS Regulation*. That regulation, adopted in 2002, (a) required IFRSs in the consolidated financial statements of all companies listed on regulated European securities markets starting in 2005 and (b) gave member states the option to require or permit IFRSs in separate company (legal entity) statements and in the consolidated or separate statements of unlisted companies. The report contains an updated table of member states' uses of these options. The EC analysed the consistency of application of the endorsed standards/interpretations in the EU for 2005 and reached a number of conclusions, summarised here:

- Overall, application of IFRSs has been a challenge for all stakeholders, but it has been achieved without disrupting markets or reporting cycles.
- There is a general perception among preparers, auditors, investors and enforcers that application of IFRSs has improved the comparability and quality of financial reporting and has led to greater transparency.
- Most stakeholders believe that the understandability of financial statements has generally improved, except for certain areas, where there seems to be room for improvement, notably on financial instruments, business combinations and share-based payments.
- IFRS accounts are still influenced by national accounting traditions.
- The IFRS recognition and measurement provisions appear to have been applied more consistently and clearly than certain disclosure requirements.
- Options allowed by IFRSs, including those related to employee benefits, borrowing costs, and joint ventures, have been used in diverse ways by companies. Options in IFRSs for early application have also been widely used. However, options to widen application of fair value measurement have not been extensively used and use of the carve-out in IAS 39 is limited to very few banks. Enforcers have expressed concern and wish the number of options available in IFRSs to be reduced in the future.

The ECOFIN conclusions can be downloaded here:

www.iasplus.com/europe/0807ecofingovernance.pdf

Click here to download the third EC report:

www.iasplus.com/europe/0803iasb3report.pdf

Here are the links to the earlier EC reports:

www.iasplus.com/europe/0707ecreport.pdf

www.iasplus.com/europe/0704iasbgovernance.pdf

ECOFIN resolution on IASB governance

The staff of the EC has released its *Third Report on Governance Developments in the IASB and the IASCF* to the European Union's Economic and Financial Affairs Council (ECOFIN). The report covers developments between July 2007 and January 2008 and comments favourably on progress that has been made in improving the governance structure.

In July 2008, the ECOFIN adopted *ECOFIN Conclusions on IASB Governance*. Here is an excerpt of the conclusions:

The Council welcomes the proposals that have been made in this direction by the IASCF and considers that the further reform of the IASCF and IASB's governance and public accountability should be made according to the following key principles:

- *the public accountability of the IASCF should be enhanced through the creation of an effective Monitoring Board, which should have sufficient powers to provide the necessary oversight of the IASCF; it should first ensure that Trustees effectively discharge their oversight role towards the IASB, play an active role in the selection of Trustees and approve their final selection. The members of the Monitoring Body should be able to further refer issues of public interest, including those related to financial stability and prudential requirements, and matters of overall strategy for consideration by the IASB. The Monitoring Board should thus remain in close relation with the Chairman of the Board of Trustees, who should be put in charge, under the IASCF constitution, to ensure that all views and concerns of public interest representatives are fully addressed by the IASB Board;*
- *the Monitoring Board should be composed of relevant authorities responsible for public interest related to the adoption and endorsement of accounting standards in their respective jurisdictions, including the global body representing authorities responsible for financial stability or key authorities involved in financial stability. The European Commission shall propose mechanisms to ensure that it represents the co-ordinated position of all relevant European institutions and bodies, and Member states;*
- *the IASB must achieve greater transparency and legitimacy of its standard-setting and agenda-setting processes, in particular through more systematic public consultations about the IASB's work programme, including the IASB-FASB convergence agenda and more field testing. The effectiveness of the Standards Advisory Council should be enhanced; the role of impact assessments as a mandatory part of the IASB's due process should be formalised; and, possible changes to the terms of service of IASB members should be considered, including a possible term limitation for the chairman of the IASB. The views of public authorities, in particular those charged with financial stability and prudential regulation, should be adequately reflected in the IASB's standard-setting process.*
- *members of the IASB should reflect an appropriate balance of practical and technical expertise, as well as a diversity of geographical experience in order to contribute to the development of high quality, global accounting standards. The role of the EU as the largest jurisdiction applying IFRS should be properly reflected.*

ECOFIN resolution on IASB governance (continued)

- *The Council emphasises the urgency of enhancing the EU's ability to contribute in a timely and consistent manner to the international accounting debate. It therefore welcomes efforts to enhance the role of the European Financial Reporting Advisory Group (EFRAG), especially in relation to timely upstream input to the IASB's agenda-setting process. EFRAG's governance arrangements should ensure a balanced representation of all European stakeholders. EFRAG should establish effective and transparent procedures ensuring that it operates in the public interest and in a manner consistent with the EU's financial reporting policy. The Council welcomes recent progress to reform EFRAG's structure of governance in this direction.*

Click here to download the proposed amendment:
www.iasplus.com/europe/0806thirdcountry.pdf

EC: Proposal regarding “third country” GAAPs in the EU

The EC has proposed to amend the European Directive (law) on prospectuses to require that, starting 1 January 2009, “third country” (non-European) issuers whose securities trade in a European securities market shall present their historical financial information in accordance with one of the following four sets of accounting standards:

1. International Financial Reporting Standards (IFRSs) adopted pursuant to Regulation (EC) No 1606/2002 (known as “IFRSs as adopted by the European Union”).
2. IFRSs as adopted by the IASB, provided that the notes to the audited financial statements that form part of the historical financial information contain an explicit and unreserved statement that those financial statements comply with IFRSs in accordance with IAS 1 Presentation of Financial Statements.
3. Generally Accepted Accounting Principles of Japan;
4. Generally Accepted Accounting Principles of the United States of America.

GAAPs of China, Canada, and South Korea are also acceptable until 2011. The Regulation would be immediately binding in all Member States.

Click here to download the studies:
www.iasplus.com/europe/0806effectstudyias1.pdf

www.iasplus.com/europe/0805effectias23.pdf

www.iasplus.com/europe/0806effectstudyifric14.pdf

EC: “Effect studies” on IASB pronouncements

The EC has published “effect studies” of the impact of three IASB pronouncements awaiting endorsement for use in Europe:

- IAS 1 (Revised 2007) *Presentation of Financial Statements*
- IAS 23 (Revised 2007) *Borrowing Costs*
- IFRIC 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The EC did these studies under its agreement with the EP that “effect studies” should be prepared for new accounting standards and interpretations up for endorsement in the EU. The reports conclude that all pronouncements will have positive cost-benefits effects and that they should, therefore, be endorsed in the EU without delay.

Click here to download the press release

www.iasplus.com/europe/0806auditorliabilitypr.pdf

Click here to download additional information:

[Recommendation full text](#)

[Impact Assessment full text](#)

[Impact Assessment executive summary](#)

[Frequently Asked Questions](#)

Click here for CESR's third batch of extracts:

www.iasplus.com/europe/0805cesrifsdecisions3.pdf

The two earlier batches can be found here:

www.iasplus.com/europe/0712cesrifsdecisions2.pdf

www.iasplus.com/europe/0704cesrexttracts.pdf

EC: Recommendation on limiting auditor liability

The EC has issued a recommendation to limit civil liability for auditors and audit firms carrying out a statutory audit of the consolidated annual accounts of a European company whose securities are admitted to trading on a regulated market in a Member State. The stated aim of the recommendation is to encourage new entrants into the audit market, and to protect European capital markets by ensuring that audit firms remain viable in an environment where there is an increasing trend towards litigation and a lack of sufficient insurance cover.

This recommendation identifies three methods of limitation and principles to be followed by Member States when adopting the recommendation. The three methods, all of which are actually used by Member States today, are a statutory monetary cap on liability, proportionate liability, and contractual limitation. Any other equivalent method might also be used. The liability limitation would apply in the case of negligent behaviour but not in the case of intentional misconduct by an auditor.

CESR: Summary of IFRS enforcement decisions

The Committee of European Securities Regulators (CESR) has published its third batch of extracts from its confidential database of enforcement decisions taken by EU national enforcers of financial information. From time to time, CESR publishes extracts of selected decisions as a source of information to foster appropriate and consistent application of IFRSs in the EU.

Topics covered in the third batch of extracts:

- Consolidation of subsidiary
- Step acquisition
- Consolidation of special purpose entities
- Application of the pooling of interest method in a business combination under common control
- Identification of the acquirer in a business combination
- Partial reimbursement and modifications of the term of the contract of a borrowing
- Impairment of an investment
- Disclosure of the effect of discontinued operations
- Definition of key management personnel
- Internally generated intangible assets
- Allocation of the costs of an acquisition
- Scope of IAS 11
- Barter transaction
- Half-yearly financial statements

Use of IFRSs elsewhere in the world

Click here for the table of use of IFRSs by jurisdiction:
www.iasplus.com/country/useias.htm

Summary of use of IFRSs

The information below was taken from our table of *Use of IFRSs by Jurisdiction* which is updated continually. That page has information about each of the individual jurisdictions included in the summary.

Grand Totals for Listed Companies	
Information to the best of our knowledge for 162 jurisdictions	
IFRSs not permitted	34 jurisdictions
IFRSs permitted	24 jurisdictions
IFRSs required for some companies	4 jurisdictions
IFRSs required for all companies	85 jurisdictions
No stock exchange	15 jurisdictions
Of the 113 jurisdictions (24+4+85) that permit or require IFRSs:	
Audit report refers to conformity with IFRSs	80 jurisdictions
Audit report refers to local GAAP or to IFRSs as adopted in the jurisdiction	31 jurisdictions
Audit report for some companies refers to local GAAP and for other companies it refers to IFRSs	1 jurisdiction
No information	1 jurisdiction
Grand Totals for Unlisted Companies	
IFRSs not permitted	34 jurisdictions
IFRSs permitted for all or some companies	36 jurisdictions
IFRSs required for some companies	20 jurisdictions
IFRSs required for all companies	28 jurisdictions
No information	44 jurisdictions

Click here to download the Argentina IFRS plan:
www.iasplus.com/americas/0805argentinaplan.pdf

Argentina: Plan for adoption of IFRSs

The Federacion Argentina de Consejos Profesionales de Ciencias Economicas (professional accountancy body in Argentina) has developed a plan for implementing IFRSs for all companies whose securities are publicly traded. The plan has been presented to the Argentinian Securities Commission, which would have to approve the plan. The plan calls for adoption of IFRSs in annual financial statements of public companies by first quarter 2011. Starting first quarter 2010, companies would have to disclose the expected impact of IFRSs on their operating results and equity.

Click here for our jurisdiction page for Iraq:
www.iasplus.com/country/iraq.htm

Iraq: IFRS required – new jurisdiction page

Under the Iraq securities markets law, all companies listed for trading on the Iraq Stock Exchange are required to publish financial statements that are prepared in accordance with International Financial Reporting Standards. Those statements must be audited in accordance with International Standards on Auditing. Further, the Iraq banking law (administered by the Central Bank of Iraq) requires all banks to publish IFRS financial statements.

Canada: CSA staff views on early IFRS adoption

Click here for the CSA staff paper:
www.iasplus.com/ca/0806csaifrs.pdf

The Canadian Securities Administrators (CSA, representing Canada's 13 provincial and territorial securities regulators) have issued a Staff Notice setting out CSA staff views on possible changes to securities rules relating to Canada's transition to IFRSs for publicly accountable entities in 2011. The CSA Staff Notice is No. 52-321 titled *Early Adoption of International Financial Reporting Standards, Use of US GAAP, and Reference to IFRS-IASB*. The CSA staff's three principal conclusions are:

1. CSA staff are prepared to permit, on a case by case basis, a domestic issuer to prepare its financial statements in accordance with IFRS-IASB for financial periods beginning before 1 January 2011. Permission would depend on the regulator's assessment of how well prepared the company is to deal with the change.
2. CSA staff propose retaining the existing option for a domestic issuer that is also a US SEC issuer to use US GAAP.
3. It is preferable for securities rules to require a domestic issuer to prepare its financial statements in accordance with IFRS-IASB after the mandatory changeover date, rather than Canadian GAAP, and require an audit report on such annual financial statements to refer to IFRSs as issued by the IASB.

CSA Staff Notice 52-320 *Disclosure of Expected Changes in Accounting Policies Relating to Changeover to IFRSs* addresses IFRS pre-adoption disclosure requirements for Canadian reporting issuers. This will help companies assess the expected impact on their next interim and annual Management's Discussion and Analysis. Deloitte Canada will provide a more comprehensive analysis of these disclosure requirements in the next edition of the Countdown newsletter.

Click here for the CSA press release:
www.iasplus.com/ca/0805csadisclosure.pdf

Although the CSA have invited comment on whether to permit publicly accountable Canadian entities to adopt IFRSs starting in 2009 – two years earlier than would be required by the Canadian Accounting Standards Board – the Canadian Office of the Superintendent of Financial Institutions has issued a *Notice to All Federally Regulated Financial Institutions* instructing them not to adopt IFRSs early, mainly for regulatory comparability reasons.

Click here for the OSFI notice:
www.iasplus.com/ca/0804osfi.pdf

iGAAP 2008 Financial Instruments: IAS 32, IAS 39 and IFRS 7 Explained (Fourth Edition) (851 pages, June 2008) can be purchased through www1.lexisnexis.co.uk/deloitte/.

Download from:
www.iasplus.com/dttpubs/0807ifrs3guide.pdf

Download IFRSs in your pocket 2008 here:
www.iasplus.com/dttpubs/pocket2008.pdf

IFRS publications from Deloitte

iGAAP 2008 Financial Instruments

Deloitte United Kingdom has developed *iGAAP 2008 Financial Instruments: IAS 32, IAS 39 and IFRS 7 Explained* (Fourth Edition), which has been published by LexisNexis. This publication is the authoritative guide for financial instruments accounting under IFRSs. The 2008 edition expands last year's edition with further interpretations, examples, discussions from the IASB and the IFRIC, and updates on comparisons of IFRSs with US GAAP for financial instruments. It also includes extracts from 2007 annual reports illustrating IFRS 7 *Financial Instruments Disclosures*.

New Deloitte Guide to IFRS 3 and IAS 27

The Deloitte IFRS Global Office has published *Business Combinations and Changes in Ownership Interests: A Guide to the Revised IFRS 3 and IAS 27*. In January 2008, the IASB issued a revised IFRS 3 *Business Combinations* and a revised IAS 27 *Consolidated and Separate Financial Statements*. In doing so, the Board completed phase II of its business combinations project, and achieved substantial convergence between IFRSs and US GAAP on these topics. This new 164-page guide deals mainly with accounting for business combinations under IFRS 3(2008). Where appropriate, it deals with related requirements of IAS 27(2008) – particularly as regards the definition of control, accounting for non-controlling interests, and changes in ownership interests. Other aspects of IAS 27 (such as the requirements to prepare consolidated financial statements and detailed procedures for consolidation) are not addressed.

IFRSs in your pocket 2008

We have published the seventh edition of our popular guide to IFRSs – *IFRSs In Your Pocket 2008*. This 112-page guide includes information about:

- IASB structure and contact details.
- IASB due process.
- Use of IFRSs around the world, including updates on Europe, Asia, USA, and Canada.
- Summaries of each IASB Standard (through IFRS 3 revised and the amendment to IAS 27) and Interpretation (through IFRIC 14), as well as the Framework and the Preface to IFRSs.
- Background and current status of all current IASB projects.
- IASC and IASB chronology.
- Update on IFRS-US GAAP convergence.
- Other useful IASB-related information.

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www.iasplus.com/asia/0805ifrsthai.pdf

Click here to download the comparison:

www.iasplus.com/dttpubs/0805ifrsnlgaap.pdf

Special editions of our IAS Plus Newsletter

Amendments to IFRS 1 and IAS 27

This newsletter summarises the amendments to IFRS 1 *First-time Adoption of IFRSs* and IAS 27 *Consolidated and Separate Financial Statements* (see our story on page 4).

Improvements to IFRSs 2008

This newsletter summarises the Board's Annual Improvements Project (see our story on page 4).

IFRIC 15 Agreements for the Construction of Real Estate

This newsletter explains the requirements of IFRIC 15 (see our story on page 9).

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

This newsletter explains the requirements of IFRIC 16 (see our story on page 10).

Comparison of IFRSs and Indian GAAP

Deloitte Touche Tohmatsu India Private Limited has published *IFRSs and Indian GAAP: A Comparison*. This booklet summarises the strategy of the Institute of Chartered Accountants of India (ICAI) for converging Indian Accounting Standards and IFRSs and presents a comparison of current Indian GAAP and IFRSs in issue at 31 March 2008.

Comparison of IFRSs and Thailand GAAP

Deloitte Thailand has published IFRS and GAAP in the Kingdom of Thailand. This booklet:

- Explains the various sources of GAAP in the Kingdom of Thailand
- Reviews the process for issuing Thai Accounting Standards (TAS)
- Distinguishes between existing TAS that have been approved by the Federation of Accounting Professions and those that have become effective by approval by the Board of Supervision and publication in the Royal Gazette
- Identifies those TAS from which non-public limited companies may elect to be exempted
- Sets out some of the key differences between TAS and IFRSs at 31 March 2008
- Summarises the plans for convergence of TAS and IFRSs

Comparison of IFRSs and Dutch GAAP

Deloitte in The Netherlands has published *IFRSs and NL GAAP: A Pocket Comparison*. This 19-page booklet sets out some of the key differences between IFRSs and Dutch GAAP for annual periods beginning on or after 1 January 2008. It also includes new and revised IFRSs issued before 31 March 2008 that are not yet effective for annual periods beginning on or after 1 January 2008.

Click here for *IFRS Insights*:

Volume 1 May 2008:

www.iasplus.com/usa/ifrsinsights/0805ifrsinsights.pdf

Volume 2 July 2008:

www.iasplus.com/usa/ifrsinsights/0807ifrsinsights.pdf

Click here for the survey:

www.iasplus.com/dttpubs/2008ifrssurvey.pdf

Click here for background on transition to IFRSs in Canada including issues of *Countdown*:

www.iasplus.com/country/canada.htm#plan

The reports can be downloaded here:

**What's new
Annual Report
Concise Report
Reporting Obligations**

The podcast can be accessed here:

www.deloitte.com/dtt/article/0,1002,cid=199988,00.html

Click here to download the newsletter:

www.iasplus.com/safrica/0805ts.pdf

Deloitte guidance on use of IFRSs in the US

Deloitte United States has launched a new publication, *IFRS Insights*, providing news on the latest developments on IFRSs, practical suggestions for companies addressing IFRSs, updates on the regulatory environment, and references to relevant tools and resources. As US companies await further action from the SEC, including an anticipated announcement about when public companies will have the option of using IFRSs for SEC reporting purposes, there is an increasing demand for current information on IFRS developments and insights regarding IFRS implementation.

In addition, Deloitte United States has published *2008 IFRS Survey – Where Are We Today?* This brief but informative report discusses the results of approximately 200 responses by US-company senior finance professionals to Deloitte's 2008 survey on IFRSs. The primary goal of the survey was to ascertain US companies' level of awareness about and interest in IFRSs.

Deloitte guidance on transition to IFRSs in Canada

Deloitte Canada has released issues three to five of the *Countdown* IFRS transition newsletter, to provide snapshots of the status regarding the transition to IFRSs.

Illustrative financial reports using Australian standards

Deloitte Australia has published illustrative financial reports in conformity with Australian equivalents of IFRSs for companies with annual reporting obligations at 30 June 2008. These reports include new requirements such as AASB 7 *Financial Instruments: Disclosures* – which is identical to IFRS 7.

In addition, Deloitte Australia has released a new Insights Podcast discussing AASB 7. They have also published an Accounting Alert that summarises some of the key practical, commercial, and technical considerations in applying the standard.

Update on accounting matters in South Africa

Deloitte South Africa has published the May 2008 edition of their quarterly newsletter *Technically Speaking* that provides insights, guidance, and summaries of issues that are affecting the accounting, auditing, and regulatory environment in South Africa, as well as other matters of general interest. Among the IFRS-related points covered are:

- Latest Exposure Drafts issued by the IASB
- Amendments proposed to IFRS 2 and IFRIC 11 – Group and Treasury Share Transactions
- Revisions to IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements
- IFRS 7 and its liquidity risk disclosure requirements
- IFRS Issues:
- Can a condensed interim financial report be described as “complying with IFRSs”?
- Inclusion of bank overdrafts within cash equivalents

The most comprehensive IFRS news on the Net

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