

# IFRS on point

## Financial Reporting Developments and Information: November 2015

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## International headlines

### **Deloitte comments on a number of tentative agenda decisions of the IFRS Interpretations Committee**

Deloitte has published comment letters on IFRS Interpretations Committee agenda decisions on IAS 32, IAS 39, IFRS 5, IFRS 9, and IFRS 11, as published in the September 2015 IFRIC Update.

Click [here](#) for more information.

### **Should the IASB extend its remit beyond the current focus of the organisation to develop Standards; in particular for entities in the private, not-for-profit sector?**

On 7 July 2015, the Trustees launched the 2015 Constitution review. One of the questions asked was whether the IASB should extend its remit beyond the current focus of private sector, for-profit entities.

With the comment letter deadline approaching, two major positions emerge.

The proponents (among them AICPA, AASB, and MASB) argue from a conceptual viewpoint.

- There clearly is a need for international financial reporting standards for private not-for-profit entities.
- The IASB has the experience necessary for dealing with international standard-setting.
- Even though circumstances differ between the for-profit and the private not-for-profit sectors, fundamentally the economics are not sector-specific.
- Standard-setting across sectors and testing new concepts across all of them can result in better quality standards and decisions for the for-profit sector.
- Some of the proponents even believe public sector standard-setting should be included in the IASB's responsibilities for the same reasons.

The opponents (among them ASCG, ESMA, FRC, IFAC, Keidaren, and XRB) mostly argue from the cost perspective.

- Even though most acknowledge the existing lack of and the potential need for international financial reporting standards for private not-for-profit entities, they are not convinced that this means the IASB has to step in.
- There are still significant gaps in financial reporting for listed entities that need to be addressed first.
- The IASB simply doesn't have the funds and resources to take on additional responsibilities.

For more useful information please see the following websites:

[www.iasplus.com](http://www.iasplus.com)

[www.deloitte.com](http://www.deloitte.com)

- Changes to scope would also likely mean that changes would need to be made to the oversight arrangements, IASB membership and competencies, staff competencies and resources, and Advisory Council membership.

Click [here](#) for access to all comment letters on the 2015 Constitution review and click [here](#) to access comment letters made available publicly on the IASB website.

#### **EFRAG draft comment letter on the materiality exposure draft**

The European Financial Reporting Advisory Group (EFRAG) has issued a draft comment letter on IASB exposure draft ED/2015/8 *IFRS Practice Statement – Application of Materiality to Financial Statements*.

In its draft comment letter, EFRAG expresses the view that the proposed guidance could be helpful, in particular in the context of disclosures, in order to provide a common ground for applying judgement in deciding which information is relevant for users and fostering thinking on how materiality is applied. EFRAG also believes that it is appropriate that the guidance takes the form of a practice statement as the essence of the proposed guidance is to foster the exercise of judgement, i.e. work on a mindset.

Nevertheless, EFRAG believes that the draft practice statement should be drafted in a more concise and practical way and focus on the key steps of the process necessary to make decisions and exercise judgement on materiality.

Comments are requested by 15 February 2016.

For more information click [here](#) to see the press release and the draft comment letter on the EFRAG website.

#### **IFRS Foundation releases training material for IFRS 9 and IFRS 15**

The IFRS Foundation's education initiative has released slide decks to support those teaching IFRSs. The material provided now is for IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*. Both Standards are effective for annual reporting periods beginning on or after 1 January 2018 with early application permitted.

The material for IFRS 9 is four parts: (1) objective, scope, recognition and derecognition; (2) classification and measurement; (3) impairment; and (4) hedging. For IFRS 15, a synopsis that highlights the main requirements of the Standard accompanies the slide presentation. All materials provided as part of the education initiative can be used free of charge.

Click [here](#) for more information.

#### **UK FRC believes Conceptual Framework must 'embrace asymmetric prudence'**

The United Kingdom Financial Reporting Council (FRC) has commented on the IASB's exposure draft ED/2015/3 *Conceptual Framework for Financial Reporting*.

The FRC calls on the IASB to reconsider its proposed *Conceptual Framework* so that it properly reflects the importance of stewardship, prudence and reliability, which it considers to be fundamental to financial reporting. The FRC stresses that prudence is more than taking a cautious approach to accounting. Rather, prudence requires a greater readiness to recognise losses than profits:

The reintroduction to the *Conceptual Framework* of a specific reference to prudence is very welcome. However, the treatment of it in the exposure draft – as support for the idea of neutrality – is wholly inadequate. The essence of prudence is the idea referred to in the Basis for Conclusions as 'asymmetric prudence' – a lower threshold for the recognition of liabilities and losses than for assets and gains – which is absent from the text of the draft *Conceptual Framework* itself.

The FRC adds that the term 'neutrality' that is used in the *Framework* might be misleading and suggests it should be replaced 'unbiased'.

Finally, the FRC notes that it is "particularly odd" that the IASB acknowledges that the concept of asymmetric prudence is reflected in current accounting Standards (for example in IFRS 15), but has omitted it from its draft *Framework*.

Click [here](#) to access the full comment letter and [here](#) for the corresponding press release on the FRC website.

### **CFA institute and IASB discuss agenda consultation**

The CFA Institute and IASB have posted a webcast which features IASB member Patrick Finnegan discussing the IASB's 2015 Agenda Consultation.

Specifically, Mr Finnegan discussed:

- the IASB's current Agenda Consultation;
- where the IASB stands on previously identified investor priorities, such as financial statement presentation and disclosures; and
- how other corporate reporting initiatives and technology are influencing the IASB's strategy and agenda-setting process.

Click [here](#) to access the webcast available on the CFA Institute's website.

### **Joint working group agreed to advance the use of IFRS in China**

The IFRS Foundation and the Chinese Ministry of Finance have announced that they will work together to explore possibilities to advance the use of IFRS within China.

A joint statement, available on the IASB's website, contains the following key features:

- the IFRS Foundation and the Chinese Ministry of Finance will establish a joint working group to advance the use of IFRS within China, especially for internationally oriented Chinese companies;
- both parties support the vision of Chinese Accounting Standards to become fully converged with IFRS Standards; and
- both parties will encourage continued co-operation between the IASB and Chinese stakeholders in the future development of IFRS Standards.

Click [here](#) to access the press release on the IASB website.

### **European Union formally adopts amendments to IAS 16 and IAS 41**

The European Union has published a Commission Regulation endorsing *Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)*.

Commission Regulation (EC) No 2015/2113 of 23 November 2015 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council published in the Official Journal on 24 November 2015 adopts *Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)* issued by the IASB in June 2014. The EU effective date is the same as the IASB's effective date (annual periods beginning on or after 1 January 2016 with earlier application permitted).

Click [here](#) for more information.

### **IASB updates work plan**

Following its November 2015 meeting, the IASB has updated its work plan. As mentioned before, directly tracing the Board's progress on the individual projects has become impossible since the change of the work plan format in July, unless the Board makes definite progress or has to make larger corrections. Of these, a few can be identified in the November work plan.

Click [here](#) for more information.

### **ACCA interview with IASB Chairman Hans Hoogervorst**

The Association of Chartered Certified Accountants (ACCA) has made available a short recorded interview with IASB Chairman Hans Hoogervorst entitled 'IASB takes stock'.

In the interview, Mr Hoogervorst generally takes stock and then expands on four questions.

- Has the Board's private, not-for-profit status been a hindrance or a help?
- Who are IFRS for?
- How do you think the Board's due process has been working?
- What's next for the IASB?

Click [here](#) to access the interview on the ACCA website.

### Upcoming agenda consultation events in Europe

The Federation of European Accountants (Fédération des Experts-comptables Européens, FEE) has commented on the draft letter from the European Financial Reporting Advisory Group (EFRAG) to the European Commission supplementing its endorsement advice on adoption of IFRS 9 *Financial Instruments*.

Just as the European Securities and Markets Authority (ESMA), FEE believes the problem should not be solved on a European level alone (by means of a carve-out). On 10 November 2015, EFRAG published a draft letter to the European Commission, stating that EFRAG is “not in a position to amend” its endorsement advice on IFRS 9 and extend it to businesses carrying out insurance activities.

FEE point out that the problem does not only affect European companies, therefore an international solution needs to be found – as the IASB is trying to do in its dedicated limited scope project. However, FEE notes in its letter that the approaches the IASB is pursuing are of different merit. FEE believes that the deferral approach should be chosen over the overlay approach as the latter was too complex. However, FEE also points out that the deferral approach needs to be investigated further as the current requirement of passing an insurance activities’ predominance test at the reporting entity level would mean that some insurers and more generally the insurance activities included in the financial statements of banking groups would not qualify. FEE suggests finding a deferral solution that goes below the reporting entity level or to widen the scope of the solution by reconsidering the predominance test for insurance activities.

Click [here](#) to access the full comment letter on the FEE website.

### ESMA believes IFRS 9 carve-out for insurance activities “not a feasible solution”

The European Securities and Markets Authority (ESMA) has commented on the draft letter from the European Financial Reporting Advisory Group (EFRAG) to the European Commission supplementing its endorsement advice on adoption of IFRS 9 *Financial Instruments*.

On 10 November 2015, EFRAG published a draft letter to the European Commission, stating that EFRAG is “not in a position to amend” its endorsement advice on IFRS 9 although the IASB has decided to propose a deferral approach and an overlay approach, both aimed at addressing the mismatch, in December this year. EFRAG argued that any final decisions in the project will be made at the earliest in six to nine months from now and that uncertainty exists as to whether the IASB will provide an appropriate remedy when it makes these final decisions.

In its letter to EFRAG, ESMA emphasises the importance of fully implementing IFRS 9 and of applying the expected loss model to financial assets in a timely manner, as the introduction of the expected loss model responds to an important G20 request following the financial crisis. Even though final amendments to IFRS 4 addressing the mismatch are not to be expected until mid-2016, ESMA highlights that the IASB responded quickly and adequately to EFRAG’s concerns about the different application dates. ESMA states:

*“ESMA reiterates its position that a European carve-out is not a feasible solution for insurance activities in light of their global nature. [...] In light of the solution for the insurance industry being developed by the IASB, ESMA is of the view that EFRAG should enable endorsement of IFRS 9 in the EU as soon as possible.”*

Click [here](#) to access the full comment letter on the ESMA website.

### Summary of the October 2015 ITCG meeting

The IASB has published notes to the IFRS Taxonomy Consultative Group (ITCG) meeting held on 27 October 2015.

The ITCG discussed:

- disclosure initiative including the IFRS Taxonomy;
- consultation paper – European Single Electronic Format (ESEF);
- IFRS Foundation’s review of structure and effectiveness including the IFRS Taxonomy strategy and role of technology;
- IFRS Taxonomy versioning control;
- IFRS Taxonomy due process update; and
- IFRS Taxonomy content areas for review including IFRS 16 *Leases*.

Click [here](#) for more information, see the meeting notes on the IASB website.

### **IASB publishes proposals for amendments under its *Annual Improvements* project (cycle 2014-2016)**

The International Accounting Standards Board (IASB) has published an exposure draft *Annual Improvements to IFRSs 2014–2016 Cycle*. It contains proposed amendments to three International Financial Reporting Standards (IFRSs) as result of the IASB's *Annual Improvements* project. Comments are requested by 17 February 2016.

Click [here](#) for more information.

### **IASB proposes amendments to IAS 40 on transfers of investment property**

The International Accounting Standards Board (IASB) has published an Exposure Draft (ED) of proposed amendments to IAS 40 *Investment Property*. The amendments address transfers of investment property. Comments are requested by 18 March 2016.

#### **Background**

The IFRS Interpretations Committee received a request for clarification of the application of paragraph 57 of IAS 40 *Investment Property*, which provides guidance on transfers to, or from, investment properties. More specifically, the question was whether a property under construction or development that was previously classified as inventory could be transferred to investment property when there was an evident change in use.

The Interpretations Committee referred the matter to the IASB, and at its April 2015 meeting, the IASB tentatively agreed to amend the paragraph to reinforce the principle for transfers into, or out of, investment property in IAS 40 to specify that such a transfer should only be made when there has been a change in use of the property.

#### **Suggested changes**

The amendments proposed in ED/2015/9 *Transfers of Investment Property (Proposed amendment to IAS 40)* are as follows.

- Paragraph 57 will be amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. The change of use shall consist of the property meeting, or ceasing to meet, the definition of investment property.
- The list of examples of evidence in paragraph 57(a) – (d) will be presented as a non-exhaustive list instead of an exhaustive list.

#### **Effective date and transition requirements**

The ED does not contain a proposed effective date. However, the ED proposes that the amendments would be applied retrospectively and that early application should be permitted.

#### **Additional information**

Please click below for:

- [IASB press release](#) (link to IASB website);
- [access to the exposure draft on the IASB website](#);
- [Deloitte's IFRS in Focus newsletter](#); and
- [our IAS Plus project page on IAS 40 – \*Transfers of investment property\*](#).

#### **IFRS filing information for various jurisdictions**

The IFRS Foundation is currently collecting information on IFRS filing requirements around the world, including electronic filing requirements and IFRS Taxonomy adoption.

So far, the IFRS Foundation has collected this information for 19 jurisdictions: Australia, Austria, Canada, China, Hong Kong, Korea (South), Latvia, Lithuania, Macao, Malaysia, Mongolia, Myanmar, New Zealand, Rwanda, Saudi Arabia, Slovenia, Taiwan, Turkey, and Uganda.

Click [here](#) to access the IFRS filing profiles on the IFRS Foundation's website.

#### **ESMA believes *Conceptual Framework* to be incomplete without guidance on liability and equity**

The European Securities and Markets Authority (ESMA) has commented on the IASB's exposure drafts ED/2015/3 *Conceptual Framework for Financial Reporting* and ED/2015/4 *Updating References to the Conceptual Framework*.

In its comment letter, ESMA supports the IASB's initiative and agrees with most proposals in the EDs. However, ESMA "regrets that the ED does not provide guidance on some essential issues in financial reporting which leaves the *Conceptual Framework* incomplete". The two points ESMA particularly stresses are as follows.

- According to ESMA, the ED does not include sufficient guidance on distinguishing between liability and equity. ESMA agrees with the view that the definition of a liability should be used to distinguish between liability and equity, but is concerned that the IASB has not sufficiently considered the issue yet. ESMA is also worried that dealing with this matter in a separate project might lead to subsequent changes to the definition of a liability.
- ESMA is concerned that the ED does not attempt to define performance. ESMA concludes that as a result the *Conceptual Framework* will include neither a clear basis for distinguishing between items that should be recognised in profit or loss and items that should be recognised in other comprehensive income (OCI), nor a principle establishing whether and when recycling is appropriate.

Click [here](#) to access the full comment letter on the ESMA website.

#### **EFRAG draft comment letter on DI/2015/1**

The European Financial Reporting Advisory Group (EFRAG) has issued a draft comment letter on IFRS Interpretations Committee exposure draft DI/2015/1 *Uncertainty over Income Tax Treatments*.

In its draft comment letter, EFRAG agrees the guidance proposed in the draft Interpretation will help reduce the inconsistencies in the accounting for uncertain income tax treatments when determining taxable profits, tax bases, unused tax losses, and tax rates. However, EFRAG believes that the proposal may create an inconsistency between uncertainties in income tax treatments and those related to other types of tax or similar positions.

Comments are requested by 13 January 2016.

Click [here](#) for more information to see the press release and the draft comment letter on the EFRAG website.

#### **IASB Chairman speaks on ten years of IFRS in Italy and the European Union**

IASB Chairman Hans Hoogervorst discussed the impact of ten years of IFRS in Italy and throughout the European Union during a speech in Milan.

In his speech, Mr Hoogervorst commented on what he views as the main lessons learned from IFRS in Europe in the past decade. These three lessons are as follows.

1. The use of IFRS has improved financial reporting and increased transparency throughout the European Union.
2. The co-operative relationship that the IASB has developed with Europe has increased the level of outreach and stakeholder participation by national standard-setters and others.
3. The decade-long work with Europe shows other jurisdictions that adopting a single set of high quality standards can be achieved globally.

Click [here](#) to access the full transcript of his speech which is available on the IASB's website.

#### **EFRAG supports conclusions in DI/2015/2**

The European Financial Reporting Advisory Group (EFRAG) has issued a draft comment letter on IFRS Interpretations Committee exposure draft DI/2015/2 *Foreign Currency Transactions and Advance Consideration*.

In its draft comment letter, EFRAG welcomes the guidance proposed in the draft Interpretation, as it will help reduce the identified diversity in practice. EFRAG also agrees with the proposed consensus and believes it is consistent with the underlying principles in IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

Click [here](#) to access the draft comment letter on the EFRAG website. Comments are requested by 13 January 2016.

#### **FASB to issue final Standards on Leases and Classification and Measurement**

At its meeting, the FASB finished redeliberations related to its upcoming Standards on (1) Leases and (2) Classification and Measurement. Further, the Board directed the staff to proceed with drafting two final Accounting Standards Updates for a vote by written ballot.

## Leases

### *Classification criteria*

Under current U.S. GAAP, if the beginning of the lease term occurs within the last 25 percent of the leased property's total estimated economic life, an entity is not required to evaluate the lease classification criteria related to (1) the lease term in relation to the property's estimated economic life (the 75 percent test) and (2) the present value of the minimum lease payments in relation to the fair value of the leased property (the 90 percent test). In a previous decision, the FASB had tentatively agreed that under the new leasing guidance, lease classification would be evaluated in accordance with criteria similar to those in IAS 17 *Leases*, which does not include a similar exception.

The FASB has received feedback indicating that the consequence of not retaining this exception is that leases that begin near the end of an asset's useful life that otherwise should be classified as operating leases may be classified as finance leases. In response to this concern, the FASB tentatively decided that the final Standard will include an exemption from the "lease term is for the major part of the remaining economic life of the underlying asset" classification criterion for leases that begin near the end of the underlying asset's economic life.

### *Effective date*

For Public Business Entities (PBEs), the new *Leases* Standard would be effective for annual periods beginning after 15 December 2018 (i.e., calendar periods beginning on 1 January 2019), and interim periods therein. For all other entities, the Standard would be effective for annual periods beginning after 15 December 2019 (i.e., calendar periods beginning on 1 January 2020), and interim periods thereafter. Early adoption would be permitted for all entities. Further, an entity's ability to early adopt the *Leases* Standard would not be linked to its adoption of any of the FASB's other Standards.

Click [here](#) for more information to see Deloitte's related journal entry as well as [here](#) to access the press release and click [here](#) to see the tentative Board decisions on the FASB's website.

## Classification and measurement

### *Effective date*

For Public Business Entities (PBEs), the new Standard would be effective for fiscal years beginning after 15 December 2017, including interim periods therein. For all other entities, including not-for-profit entities and employee benefit plans within the scope of ASC 960 through ASC 965 on plan accounting, the effective date would be in line with the recommendation of the private-company decision-making framework – that is, fiscal years beginning one year after the effective date for PBEs (i.e. 15 December 2018) and interim reporting periods within fiscal years beginning two years after the PBE effective date (i.e. 15 December 2019).

Early adoption would be permitted for all entities, but only with respect to the following changes made to ASC 825.

For financial liabilities measured under the fair value option, fair value changes resulting from an entity's own credit would be recognised through other comprehensive income.

- The fair value disclosure requirements for financial instruments not recognised at fair value would be eliminated for non-PBEs.
- Non-PBEs may elect to early adopt all the provisions of the final Standard once the Standard becomes effective for PBEs.

Click [here](#) for more information and to see Deloitte's related journal entry as well as [here](#) to access the press release. Click [here](#) to see the tentative Board decisions on the FASB's website. In addition click [here](#) to see Deloitte's 2 February 2015 *Heads Up*, which outlines key differences between the FASB's approach and the approach in IFRS 9.

## TRG discusses implementation of new revenue Standard

At its 9 November 2015 meeting, the FASB's and IASB's joint revenue transition resource group (TRG) discussed potential issues related to implementing the boards' new revenue Standard.

Topics discussed at the meeting included:

- customer options for additional goods and services;
- pre-production activities;
- licenses – specific application issues related to restrictions and renewals; and
- whether fixed-odds wagering contracts are inside or outside the scope of ASC 606.

Click [here](#) for more information to see the Deloitte's *TRG Snapshot*.

### **EFRAG “not in a position to amend” its endorsement advice on IFRS 9**

In September 2015, the European Financial Reporting Advisory Group (EFRAG) finalised the long-awaited endorsement advice on IFRS 9 *Financial Instruments* and recommended endorsement of IFRS 9, but withheld comments on insurance industry.

In its endorsement advice, EFRAG committed to sending an update on the IASB’s progress in addressing concerns relevant to the insurance industry. A draft letter to be sent to the European Commission has now been made available on the EFRAG website. EFRAG notes that the IASB has decided to propose a deferral approach and an overlay approach, both aimed at addressing the mismatch, in December this year but states:

*“The IASB is progressing options to address the issues facing the insurance industry. However, as of the date of this letter, we are not in a position to amend our recommendation that all businesses other than those carrying out insurance activities are required to account for their financial instruments in compliance with IFRS 9 in 2018 and businesses carrying out insurance activities are permitted to do so in compliance with IFRS 9 from the same date”.*

EFRAG explains that any final decisions in the project will be made at the earliest in six to nine months from now and that uncertainty exists as to whether the IASB will provide an appropriate remedy when it makes these final decisions:

*“EFRAG assesses, on a very preliminary basis, that the IFRS 4 amendments, if finalised on the basis of current IASB tentative decisions, would not allow EFRAG to lift the reservations included in its endorsement advice of IFRS 9.”*

Click [here](#) to access the draft letter on the EFRAG website.

### **EFRAG finalises consultation document on the IASB exposure draft of a new *Conceptual Framework***

In July 2015, the European Financial Reporting Advisory Group (EFRAG) published a consultation paper rather than a draft comment letter on the proposed new *Conceptual Framework for Financial Reporting* as EFRAG had not fully concluded on its preliminary views. The consultation document with preliminary views has now been finalised.

The finalised preliminary views only differ slightly from the position published in July. These changes concern the position on stewardship and on users of general purpose financial statements. EFRAG has published a document explaining the changed position.

Click [here](#) to access the press release and the published document explaining the changed position on the EFRAG website.

### **Joint IASB and ICAS event on the future of financial reporting**

The IASB and the Institute of Chartered Accountants of Scotland (ICAS) hosted an outreach event on the future of financial reporting on 1 December 2015.

Speakers from the IASB presented on the agenda consultation and on the *Conceptual Framework* project; speakers from ICAS gave their views on these projects and presented the results of new research, jointly funded by ICAS and EFRAG, on professional investors’ views of the decision-usefulness of financial reporting.

Topics discussed included:

- Has the IASB correctly identified the right issues for the future?
- Is there anything missing from the agenda?
- Has the IASB struck the right balance between fundamental improvements to IFRS versus fine-tuning the Standards to keep them fit for purpose?
- Can financial reporting be considered in isolation from wider corporate reporting initiatives?
- How will the revised *Conceptual Framework* drive changes in future?
- How can research help to shape the future of financial reporting?

Click for [here](#) more information and registration on the ICAS website.

### **IFRS Foundation invites comments on amended IFRS Taxonomy due process**

The Trustees of the IFRS Foundation have published for public comment proposed amendments to the due process for the development and maintenance of the IFRS Taxonomy, which would give the IASB greater involvement and responsibility.



The main proposed amendments would require:

- IASB approval of IFRS content reflecting new or amended Standards;
- review by three to five members of the IASB of content reflecting common practice;
- formalisation of the enhancements that were implemented in January 2014 (creation of the IFRS Taxonomy Consultative Group and establishment of a process that seeks public consultation on IFRS Taxonomy updates that are released during the year); and
- inclusion of enhancements that reflect current practices and processes, but are not documented in the *Due Process Handbook for XBRL Activities*.

Click [here](#) to access the press release and [here](#) for the invitation to comment on the proposed amendments on the IASB website. Comments are requested by 3 February 2016.

#### **'What kind of accounting standards should the IASB write?'**

The IASB made available a paper by IASB member Mary Tokar published in the Journal of Accounting and Management Information Systems (JAMIS). The paper focuses on a long-standing challenge for standard-setters: What kind of standards should they write?

In her paper, Ms Tokar splits the question into several subquestions:

- How specific and prescriptive should standards be?
- How should cost considerations influence requirements?
- How should standard-setters balance comparability with effective communication of an entity's strategy and business model?
- What are reasonable expectations for the use of judgement?
- What is the interaction of the types of standards with the training – both skills and subject matter knowledge – of accountants?

Ms Tokar primarily uses revenue recognition and IFRS 15 to illustrate the subject and writes about comparability versus communication and the role of the business model, the role of judgement in financial reporting in general, mutual expectations, and the role of feedback. She concludes that there is no single answer to all the questions she touched upon but states:

*"The objective of IFRS is to provide useful information to users of financial statements. To achieve this goal, they need to be a communication tool and not a compliance exercise. Setting standards that support this goal requires the participation of many stakeholders, as does interpreting and applying the standards after they have been issued. Good faith application of judgement, seeking to realise the objectives of the standard and questioning established practice are all part of achieving this goal."*

Click [here](#) to access the paper on the JAMIS website and [here](#) to access the transcript of the speech that is available on the IASB website.

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## Deloitte IFRS communications and publications

Issuance Date	Description
3 November 2015	<b>Insurance webcast 54:</b> The accounting for indirect participating contracts remains an open issue
20 November 2015	<b>IFRS in Focus:</b> IASB issues exposure draft: <i>Annual Improvements to IFRSs 2014-2016 cycle</i>
19 November 2015	<b>IFRS in Focus:</b> IASB publishes exposure draft addressing transfers of investment property
18 November 2015	<b>IFRS in Focus:</b> Joint Meeting on Revenue
06 November 2015	<b>Insurance webcast 53:</b> IFRS 9 deferral ready to go, Phase II presentation confirmed and disclosures reassessed and amended
02 November 2015	<b>IFRS Project Insights:</b> Leases
02 November 2015	<b>IFRS in Focus:</b> IFRS Interpretations Committee issues draft Interpretation on foreign currency transactions and advance consideration

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## IASB and IFRS Interpretations Committee meetings

Description	
IFRS IC meeting	Click <a href="#">here</a> for the 10 – 11 November 2015 meeting notes
IASB meeting	Click <a href="#">here</a> for the 18 – 19 November 2015 meeting notes

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## Hot topics on IFRS

Topic	
Country by country reporting	Click <a href="#">here</a> for more information on the developments related to proposals to require the publishing of financial information by country or jurisdiction
Differential reporting	Click <a href="#">here</a> for more information dealing with the financial reporting needs and requirements of different categories of entities (listed, public, private)
Global financial crisis	Click <a href="#">here</a> for more information on global financial crisis
Islamic accounting	Click <a href="#">here</a> for more information responding to concerns that existing accounting Standards such as IFRSs or local GAAP may be perceived to be insufficient to account for and report Islamic financial transactions
Use of IFRS by jurisdiction	Click <a href="#">here</a> for more information on use of IFRS within different jurisdictions
IFRS in Europe	Click <a href="#">here</a> for more information on IFRS in Europe
Research and education matters	Click <a href="#">here</a> for more information on research and education matters

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## Comment letters

	Description	Receiving party	Date issued/ Comment deadline
Comment letters issued	Tentative agenda decision: <i>IFRS 11 – Remeasurement of previously held interests: Various transactions</i>	IFRS IC	30 November 2015
	Tentative agenda decision: <i>IFRS 9 – Transition for hedge accounting</i>	IFRS IC	30 November 2015
	Tentative agenda decision: <i>IFRS 5 – Various IFRS 5-related issues</i>	IFRS IC	30 November 2015
	Tentative agenda decision: <i>IFRS 5 – How to present intragroup transactions between continuing and discontinued operation</i>	IFRS IC	30 November 2015
	Tentative agenda decision: <i>IFRS 5 – To what extent can an impairment loss be allocated to non-current assets within a disposal group?</i>	IFRS IC	30 November 2015
	Tentative agenda decision: <i>IAS 39 – Separation of an embedded interest rate floor from a floating rate host contract in a negative interest rate environment</i>	IFRS IC	30 November 2015
	Tentative agenda decision: <i>IAS 32 – Classification of the liability for a prepaid card in the issuer’s financial statements</i>	IFRS IC	30 November 2015
Comment letters pending	Exposure draft ED/2015/9: <i>Transfer of Investment property – Proposed amendments to IAS 40</i>	IASB	18 March 2016
	Exposure draft ED/2015/8: <i>IFRS Practice Statement – Application of Materiality to Financial Statements</i>	IASB	26 February 2016
	Exposure draft ED/2015/10: <i>Annual Improvements to IFRSs 2014-2016 cycle</i>	IASB	17 February 2016
	Draft Interpretation DI/2015/2: <i>Foreign Currency Transactions and Advance Consideration</i>	IFRS IC	19 January 2016
	Draft Interpretation DI/2015/1: <i>Uncertainty over Income Tax Treatments</i>	IFRS IC	19 January 2016

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## Effective dates

Click [here](http://www.iasplus.com/standard/effect.htm) for upcoming and recent effective dates. <http://www.iasplus.com/standard/effect.htm>

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