

Monthly roundup - April 2014

Staying on top of financial reporting developments

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In this edition:

- **Monthly highlights**
- **New pronouncements**
- **Standard setter meetings**
- **New Deloitte publications**
- **Other developments**

Monthly highlights

IASB publishes proposed amendments to IAS 1 to improve disclosures.

The International Accounting Standard (IASB) has published for public comment an Exposure Draft of proposed amendments to IAS 1 'Presentation of Financial Statements' to address concerns on the existing disclosure requirements and to ensure that entities are able to use judgement when presenting their financial reports.

The concern of financial disclosure overload has been widely discussed and many respondents to the IASB's Agenda Consultation 2011 have raised their concern on existing disclosure requirements IFRS that lead to 'disclosure overload'. In response the IASB has formally added a short-term initiative on disclosures to its work programme in December 2012.

In October 2013 the IASB formed a new Disclosure Initiative group. The initiative has a number of strategies, both short- and medium-term to improve how financial information is disclosed. The proposal results from one of several short-term projects.

The proposed amendments include:

- clarification of the materiality requirement;
- specify that items to be presented in the statement of financial position and statement of profit or loss and other comprehensive item can be disaggregated and aggregated as relevant;
- clarify that notes need not be presented in the order listed per IAS 1; and
- remove unhelpful guidance on the identification of significant accounting policies.

The proposal also included an amendment to items of other comprehensive income arising from equity-accounted investments as a result of a submission to the IFRS Interpretations Committee.

The IASB did not provide an effective date or included any specific transition provisions. Submissions are due to the Australian Accounting Standards Board by 30 June 2014 and to the IASB by 23 July 2014.

Please click for:

- [IASB press release](#)
- [ED/2014/1 Disclosure Initiative](#)
- [Deloitte IFRS in Focus](#) - IASB proposes amendments to IAS 1 'Presentation of Financial Statements' under the Disclosure Initiative.

New pronouncements

(A listing of new accounting standards, interpretations, exposure drafts, discussion papers and similar documents issued during the month by the AASB and IASB/IFRIC, along with other IFRS-related documents by other bodies that may be of interest and related links to Deloitte publications and alerts. See also our **What's new in the December 2013 financial reporting cycle** summary.)

Australian Accounting Standards Board (AASB)

Pronouncement	Key dates	More information
<p>Exposure Draft ED 248 Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements.</p> <p>The ED aims to clarify some of the existing requirements in AASB 1053 and propose introducing new requirements into AASB 1053.</p>	<p>Comments to the AASB due by 19 May 2014.</p>	<p>ED 248 (PDF)</p>
<p>Exposure Draft ED 249 Disclosure Initiative Proposed Amendments to AASB 101</p> <p>Incorporates IASB ED/2014/1 <i>Disclosure Initiative Proposed Amendments to IAS 1</i>.</p>	<p>Comments to the AASB due by 30 June 2014.</p>	<p>ED 249 (PDF)</p>

International Accounting Standards Board (IASB)

Pronouncement	Key dates	More information
<p>Exposure Draft ED/2014/1 Disclosure Initiative</p> <p>The ED proposes amendments to IAS 1 'Presentation of financial Statements' to clarify some of its presentation and disclosure requirements to ensure entities are able to use judgement when applying IAS 1.</p>	<p>Comments to the IASB due by 23 July 2014.</p>	<p>ED/2014/1 (PDF)</p>

Standard setter meetings

(A listing of meetings of various standard setters during the month or where documents were issued during the month in respect of the previous month's meetings, with links to our analysis, agenda papers and so on).

Meeting	Highlights	More information
<p>IASB regular meeting 31-21 arch 2014</p>	<p>Topics discussed were as follows (click on the links for direct access to the Deloitte observer notes for that topic).</p>	<p>Deloitte observer notes</p>

- [Conceptual Framework](#)
- [Insurance Contracts](#)
- [Leases I](#)
- [Leases II](#)
- [Bearer Plants](#)
- [Disclosure initiative - Materiality](#)
- [Disclosure initiative – Net Debt](#)
- [Disclosure initiative – Education session](#)
- [IFRIC issues](#)
- [Amendments to IAS 1 – Classification of financial liabilities](#)
- [Equity method in separate financial statements](#)

IFRIC regular meeting

25 March 2014

Key issues discussed include:

[Deloitte observer notes](#)

- IAS 12 –
 - Recognition of deferred tax assets for unrealised losses
 - Recognition of deferred tax for a single asset in a corporate wrapper
- IAS 34 – Condensed statement of cash flows
- IFRs 11 – Analysis of implementation issues
- IAS 1 – Disclosures about going concern
- IFRIC 21 – Identification of a present obligation to pay a levy that is subject to a pro rata activity threshold as well as an annual activity threshold
- IAS 17 – Meaning of 'incremental costs'
- IAS 8 – Distinction between a change in accounting policy and a change in accounting estimate
- IFRS 10 – Definition of investment related services or activities
- IAS 39 –
 - Accounting for repo transactions
 - Classification of a hybrid financial instrument by the holder
- IFRIC 14 – Availability of refunds from a defined benefit plan managed by an independent trustee
- IAS 19 – Remeasurement at a plan amendment or curtailment.

IAS 16 – Whether 'core inventories' held in an entity's own facilities are accounted for as inventories or as property, plant and equipment.

The AASB did not hold any regular standard setting meeting in March 2014.

New Deloitte publications

(Key IFRS-related and other publications issued by Deloitte during the month, not covered elsewhere. You can find full details and back issues of our various publications by following these links:

Accounting alerts, [IAS Plus publications](#), [IFRS in Focus Newsletters](#), [Webcasts](#) and [Podcasts](#)).

IFRS publications

- [IFRS on Point — February 2014](#) (PDF) highlights critical IFRS-related financial reporting developments for the month
- [IFRS in Focus](#) (PDF) – IASB proposes amendments to IAS 1 'Presentation of Financial Statements' under the Disclosure Initiative.

Deloitte Comment letter

- Deloitte [comment letter](#) on the International Valuation Standards Council's (IVSC) Exposure Draft (ED) 'Credit and Debit Valuation Adjustments'
- Deloitte [comment letter](#) on the IASB's Exposure Draft ED/2013/11 'Annual Improvements to IFRSs 2012–2014 Cycle' published in December 2013 Other developments.

Other developments

(A brief listing of other financial reporting developments during the month. A full summary of all IFRS-related developments can be found in our [March historical summary on IAS Plus](#). You can also subscribe to our [Deloitte IAS Plus RSS feed](#) to be kept informed of developments as they happen).

Australian-specific topics

- The AASB has submitted a [comment letter](#) to the IASB on ED/2013/11 'Annual Improvements to IFRS 2012-2014 Cycle'
- The AASB has submitted a [comment letter](#) to the IFRS Interpretation Committee's tentative agenda decision in relation to [IAS 32 Financial Instruments: Presentation](#)
- The AASB Research Centre has published a [staff paper](#) Transitioning to and between Tiers of General Purpose Financial Reporting to complement AASB ED 248 Amendments to AASB 1053 — Transition to and between Tiers, and related Tier 2 Disclosure Requirements
- The AASB has submitted a [comment letter](#) to the International Public Sector Accounting Standards Board in response to its five exposure drafts concerning Interests in Other Entities
- The AASB has made a [submission](#) to the IPSASB Governance Review Group on 'The future governance of the International Public Sector Accounting Standards Board'.

International Accounting Standards Board

- The IFRS Foundation has published the IFRS Taxonomy 2014. The IFRS Taxonomy is a translation of IFRSs (International Financial Reporting Standards) into XBRL (eXtensible Business Reporting Language) ([IAS Plus Article](#))
- The International Accounting Standards Board (IASB) has published its first batch of editorial corrections for 2014. The corrections impact consequential amendments, stand-alone standards, and the IASB's "A Guide Through IFRS 2013", "2014 IFRS (Blue Book)", and "2013 IFRS (Red Book)" ([IAS Plus article](#))

- The International Accounting Standards Board (IASB) has announced that the 2014 edition of the Bound Volume of International Financial Reporting Standards (the 'Red Book') is now available. ([IAS Plus article](#))
- The IASB's Consultative Group for Shariah-Compliant Instruments and Transactions has issued a request for papers on challenges that may arise in the application of IFRS 9 classification and measurement principles to instruments and transactions commonly referred to as Islamic finance ([IAS Plus article](#))
- The International Valuation Standards Council (IVSC) and the IFRS Foundation announced that the two organisations will deepen their co-operation in the development of International Financial Reporting Standards (IFRS) and International Valuation Standards (IVS) ([IAS Plus article](#))
- The International Accounting Standards Board (IASB) has published an Exposure Draft (ED) of proposed amendments to IAS 1 'Presentation of Financial Statements' ([IAS Plus article](#))
- The IASB has updated its [work programme](#) as at 26 March 2014
- The International Accounting Standards Board (IASB) has released another edition in its 'Investor Perspectives' series. In this edition, Patricia McConnell (member of the IASB) provides her perspectives on the IASB's changes to accounting for own credit ([IAS Plus article](#)).

Other global news

- EFRAG suggests the IASB addresses interests in joint operations structured through separate vehicles ([IAS Plus article](#))
- The FASB has issued an exposure draft proposing a decision process to be used by the Board and its staff for evaluating what disclosures should be required in notes to interim and annual financial statements ([IAS Plus article](#))
- The European Financial Reporting Advisory Group (EFRAG) has released a new issue of its EFRAG Update newsletter, summarising the discussions held on the EFRAG TEG conference calls of 7 and 18 February 2014, the EFRAG CFSS meeting on 26–27 February 2014, and at the EFRAG TEG meeting of 26–28 February 2014 ([IAS Plus article](#))
- The European Financial Reporting Advisory Group (EFRAG) has completed its due process for the IASB's Annual Improvements to IFRSs (2010-2012 cycle) and (2011-2013 cycle). In both cases, the EFRAG has expressed their support of the amendments and has recommended their adoption to the European Commission ([IAS Plus Article](#))
- The United Kingdom Financial Reporting Council (FRC) has published a paper detailing the results of research carried out by their Accounting and Reporting Policy (ARP) team into investor views on accounting for intangible assets under International Financial Reporting Standards (IFRSs) ([IAS Plus article](#))
- The European Financial Reporting Advisory Group (EFRAG) has issued a draft comment letter on the European Securities and Markets Authority (ESMA) consultation on 'Guidelines on Alternative Performance Measures' ([IAS Plus article](#))
- The Federation of European Accountants (Fédération des Experts-comptables Européens, FEE) has published a paper discussing the issues emerging in the public debate on a possible future implementation of 'European Public Sector Accounting Standards' (EPSAS) in European Union (EU) member states ([IAS Plus article](#))
- The European Financial Reporting Advisory Group (EFRAG) has written to the IASB to express serious concerns about the forthcoming amendments to IAS 28 'Investments in Associates and Joint Ventures' in relation to other net asset changes when applying the equity method of accounting ([IAS Plus article](#)).