

Monthly roundup - August 2014

Staying on top of financial reporting developments

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Monthly highlights

Final version of IFRS 9 issued

The International Accounting Standards Board (IASB) has published the final version of IFRS 9 'Financial Instruments' which replaces IAS 39 'Financial Instruments: Recognition and Measurement'.

The project to replace IAS 39 has been on the IASB's agenda since 2008. IFRS 9 was first issued in 2009 which introduced new classification and measurement requirements and subsequently in 2013 to introduce a new hedge accounting model. The July 2014 publication represents the final version of the Standard, replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement'.

The new standard introduces a new 'expected loss' impairment model and limited amendments to classification and measurement for financial assets. A new fair value through other comprehensive income (FVTOCI) category for certain debt instruments has also been introduced.

The final version of IFRS 9 has a mandatory effective date for annual periods beginning on or after 1 January 2018, with earlier application permitted. The Standard is applied retrospectively with some exceptions. Entities applying IFRS 9 before February 2015 may elect to apply those earlier versions of IFRS 9.

Please click for:

- [IASB press release](#)
- [IAS Plus article](#)

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 June 2014 financial reporting cycle** summary.)

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Australian Accounting Standards Board (AASB)

Pronouncement	Key dates	More information
<p>ED 251 Revenue from Contracts with Customers – Tier 2 proposals</p> <p>Proposes the disclosure requirements from which Tier 2 entities should be exempt in the anticipated forthcoming standard AASB 15 <i>Revenue from Contracts with Customers</i>.</p>	<p>Comments due by 29 August 2014</p>	<p>ED 251 (PDF)</p>
<p>ED 252 Proposal to supersede AASB Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry</p> <p>Proposes to supersede AASB Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry with the forthcoming Standard AASB 15.</p>	<p>Comments due by 29 August 2014</p>	<p>ED 252 PDF)</p>

International Accounting Standards Board (IASB)

Pronouncement	Key dates	More information
<p>IFRS 9 Financial Instruments</p> <p>Refer to monthly highlight for details.</p>	<p>Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.</p>	<p>IASB Press release (PDF) IAS Plus article</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 22 –24 July 2014</p>	<p>Agenda for the meeting was as follows (click on the links for direct access to the Deloitte observer notes for that topic):</p> <ul style="list-style-type: none"> • Disclosure initiative • Insurance contracts • IFRS IC issues • Conceptual Framework • Leases • Rate-regulated activities. 	<p>Deloitte observer notes IASB update (PDF)</p>

AASB regular meeting
16 –17 July 2014

Key issues discussed include:

- Revenue
- Service Concession arrangements
- Insurance Contracts
- Stapled Entities
- Leases
- Disclosure Initiative
- IFRS Quality Control
- IFRS Interpretations Committee.

[AASB action alert](#)
(PDF)

IFRIC regular meeting
15 –16 July 2014

Key issues discussed include:

- IFRS 11 — analysis of implementation issues
- IAS 19 — remeasurement at a plan amendment or curtailment
- IFRIC 14 – availability of refunds from a defined benefit plan managed by an independent trustee
- IFRS 2 — price difference between the institutional offer price and the retail offer price for shares in an initial public offering
- IAS 1 - going concern disclosure
- IAS 12 :
 - Measurement of current income tax on uncertain tax position
 - Recognition of current income tax on uncertain tax position
 - Recognition of deferred tax for a single asset in a corporate Wrapper
- IAS 34 —condensed statement of cash flows
- IAS 39 - classification of a hybrid financial instrument by the holder
- IFRS 12 — disclosure of summarised financial information about material joint ventures and associates
- IAS 16:
 - Ore inventories
 - Accounting for proceeds and costs of testing fixed assets
- IAS 21 — foreign exchange restrictions and hyperinflation
- IAS 39 — holder's accounting for exchange of equity instruments.

[Deloitte observer notes](#)

[IFRIC Update](#) (PDF)

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 project insights – Insurance contracts](#) (PDF) provides a summary of the IASB's projects on insurance contracts and discusses recent tentative decisions reached by the Board
- [IFRS on point](#) (PDF) – June 2014 highlights critical IFRS- related financial reporting developments
- [IFRS in Focus](#) (PDF) – IASB amends IAS 16 and IAS 41 to include bearer plants within the scope of 16 instead of IAS 41.

Deloitte Comment letter

- Deloitte [comment letter](#) on IASB ED/2014/1 'Disclosure Initiative: Proposed amendments to IAS 1'
- Deloitte [comment letter](#) on the IPSASB strategy consultation.

Deloitte Podcasts

- [Deloitte podcast](#) takes a detailed look at IFRS 9 'Financial Instruments'
- [Deloitte podcast](#) takes a detailed look at impact of IFRS 9 on banking industry.

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 [July 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 Australian Accounting Standard Board (AASB) has issued [ED 251](#) *Revenue from Contracts with Customers – Tier 2 proposals* and [ED 252](#) *Proposal to supersede AASB Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry*
- The AASB has updated its [standard –setting work program](#)
- The AASB has submitted a [comment letter](#) to the IASB in relation to one of the tentative decisions made by the IASB (published in the May 2014 IASB Update) in relation to Exposure Draft D/2013/7 *Insurance Contracts*
- The AASB has submitted a [comment letter](#) to the IASB regarding its Post Implementation Review of IFRS 3 'Business Combination'
- The AASB has submitted a [comment letter](#) to the IFRS Interpretation Committee concerning the Committee's agenda decisions on IAS 32 'Financial Instrument : Presentation'
- The AASB notes that the IFRS AU Taxonomy 2014, which companies can choose to use for lodging financial statements with ASIC, has been released and is available from the [SBR website](#).

International Accounting Standards Board

- The IASB publishes the final version of IFRS 9 'Financial Instruments' ([IAS Plus article](#))
- The IASB has updated its [work plan](#) as at 24 July 2014

- The Trustees of the IFRS Foundation have announced the reappointment of six current Trustees of the IFRS Foundation ([IAS Plus article](#)).

Other global news

- The European Financial Reporting Advisory Group (EFRAG) has issued a draft comment letter on the IASB's Discussion Paper DP/2014/1 'Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging' ([IAS Plus article](#))
- The EFRAG has published a Discussion Paper on the classification of claims ([IAS Plus article](#))
- The EFRAG has released a new issue of its 'EFRAG Update' newsletter, summarising the discussions held at the EFRAG TEG conference calls of 24 June and 3 July 2014 and the EFRAG TEG meeting of 14-16 July 2014 ([IAS Plus article](#))
- The EFRAG has issued a draft comment letter on the proposed amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' ([IAS Plus article](#))
- The EFRAG has published a new edition of the publicly available newsletter 'EFRAG Insider' ([IAS Plus article](#))
- The EFRAG has updated its Endorsement Status Report to include its draft endorsement advice letter on 'Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)' ([IAS Plus article](#))
- The EFRAG has issued two final endorsements advices and effects study reports on the amendments to IFRS 11 and IAS16/IAS 38 ([IAS Plus article](#))
- A Research Group of the Accounting Standards Board of Japan (ASBJ), the European Financial Reporting Advisory Group (EFRAG) and the Italian standard setter Organismo Italiano di Contabilità (OIC) has published a Discussion Paper on amortisation of goodwill ([IAS Plus article](#))
- The Indian Minister of Finance, Arun Jaitley, has proposed in his maiden budget speech that Indian companies apply Indian Accounting Standards (Ind AS), which are substantially converged with International Financial Reporting Standards (IFRS), from 2016-2017 financial years, with voluntary adoption permitted from a year earlier ([IAS Plus article](#)).