

**Australia  
Assurance & Advisory Services**

Monthly roundup  
Staying on top of financial reporting developments

**January 2015 edition**  
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**Monthly highlights**

**Long wait is over for Australian entities, AASB 15 is finally here!**

The International Accounting Standard Board (IASB) published its new revenue Standard, IFRS 15 'Revenue from Contracts with Customers' on 28 May 2014. Given that the new revenue standard will affect almost all industries, Australian entities have been anticipating for the issuance of the Australian equivalent of IFRS 15. Finally in December 2014 during the Board meeting, the Australian Accounting Standard Board (AASB) has approved, among others the new revenue recognition standard.

This standard supersedes AASB 118 'Revenue', AASB 111 'Construction Contracts' and a number of revenue-related interpretations. At the same time it also introduces more prescriptive and detailed implementation guidance than the previous revenue standards and related interpretations.

The AASB has incorporated IFRS 15 without modification and included specific disclosure requirements for entities applying Australian Accounting Standards – Reduced Disclosure Requirements. AASB 15 applies to annual reporting periods beginning on or after 1 January 2017 (1 July 2017 for entities with June year-end), with early application permitted.

In ASIC's area of focus for 31 December 2014, it clearly states that 'directors and auditors should ensure that financial reports disclose the impact of upcoming requirements for recognising revenue'. Entities should assess the impacts of AASB 15 in their relevant industry and ensure relevant disclosures regarding the impacts of AASB 15 are made in the latest financial reports.

Please click for:

- [AASB Press release](#)
- [AASB 15 'Revenue from Contracts with Customers'](#) (PDF)
- [ASIC Media release](#)

**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 2014 financial reporting cycle](#) summary.)

## Australian Accounting Standards Board (AASB)

Pronouncement	Key dates	More information
<p><b>AASB 15 Revenue from Contracts with Customers</b></p> <p>Refer to monthly highlights for details</p>	<p>Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted</p>	<p><a href="#">AASB 15</a> (PDF)</p>
<p><b>AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</b></p> <p>Makes consequential amendments to Australian Accounting Standards as a result of issuance of AASB 15</p>	<p>Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted</p>	<p><a href="#">AASB 2014-5</a> (PDF)</p>
<p><b>AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants</b></p> <p>Defines bearer plants and requires bearer plants to be accounted for as property, plant and equipment within the scope of AASB 116 ‘Property, Plant and Equipment’, instead of AASB 141 ‘Agriculture’</p>	<p>Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted</p>	<p><a href="#">AASB 2014-6</a> (PDF)</p>
<p><b>AASB 9 Financial Instruments (December 2014)</b></p> <p>This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes the requirements for impairments of financial assets and limited amendments to classification and measurement of financial assets</p>	<p>Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted</p>	<p><a href="#">AASB press release</a></p>
<p><b>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</b></p> <p>Makes consequential amendments to Australian Accounting Standards as a result of issuance of AASB 9</p>	<p>Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted</p>	<p><a href="#">AASB press release</a></p>
<p><b>AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010).</b></p> <p>Limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015</p>	<p>Effective for annual periods beginning on or after 1 January 2015.</p>	<p><a href="#">AASB press release</a></p>
<p><b>ED 258 Disclosure Initiative (Proposed amendments to AASB 107)</b></p> <p>Incorporates the IASB ED 2014/6 Disclosure Initiative Proposed amendments to IAS 7</p>	<p>Comments to the AASB due by 20 March 2015</p>	<p><a href="#">ED 258</a> (PDF)</p>

## International Accounting Standards Board (IASB)

Pronouncement	Key dates	More information
<p><b><i>Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)</i></b></p> <p>The amendment addresses the key issues that have arisen in the context of applying the consolidation exception for investment entities</p>	<p>Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted</p>	<p><a href="#">IASB press release (PDF)</a></p> <p><a href="#">IFRS in Focus (PDF)</a></p> <p><a href="#">IAS Plus article</a></p>
<p><b><i>Disclosure Initiative (Amendments to IAS 1)</i></b></p> <p>The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports</p>	<p>Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted</p>	<p><a href="#">IASB press release (PDF)</a></p> <p><a href="#">IFRS in Focus (PDF)</a></p> <p><a href="#">IAS Plus article</a></p>
<p><b><i>ED/2014/6 Disclosure Initiative (Proposed Amendments to IAS 7)</i></b></p> <p>The amendments seeks to improve information provided to users of financial statements about an entity's financing activities and liquidity</p>	<p>Comments due by 17 April 2015</p>	<p><a href="#">ED/2014/6 (PDF)</a></p> <p><a href="#">IASB press release (PDF)</a></p> <p><a href="#">IAS Plus article</a></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><b>IASB regular meeting</b></p> <p><b>16 December 2014</b></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"> <li><a href="#">IFRS for SMEs</a></li> <li><a href="#">Post-implementation review of IFRS 3</a></li> <li><a href="#">IFRS Interpretations Committee issues</a></li> <li><a href="#">Leases</a></li> <li><a href="#">Disclosure Initiative</a></li> </ul>	<p><a href="#">Deloitte observer notes</a></p> <p><a href="#">IASB updates (PDF)</a></p>
<p><b>AASB regular meeting</b></p> <p><b>17-18 December 2014</b></p>	<p>Key issues discussed include:</p> <ul style="list-style-type: none"> <li>Approval of AASB 9 'Financial Instruments'</li> <li>Service Concession Arrangements</li> <li>Service Performance Reporting</li> <li>Fair Value Measurement – Unit of Account</li> <li>Fair Value Disclosures of NFP Public Sector Entities</li> <li>Recognition of Deferred tax assets for unrealised losses</li> <li>Financial reporting requirements for Australian Groups with a Foreign Parent</li> <li>Annual Improvements 2012-2014 cycle</li> <li>Rate Regulation</li> <li>Classification and Measurement of Share-based Payment Transaction</li> <li>Insurance Contracts</li> </ul>	<p><a href="#">AASB action alert (PDF)</a></p>

## 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 in Focus](#) (PDF) sets out the financial reporting issues that may be relevant for years ending 31 December 2014
- [IFRS in Focus](#) (PDF) outlines the recent narrow-scope amendments to IAS 1 'Presentation of Financial Statements' under the Disclosure Initiative
- [IFRS in Focus](#) (PDF) outlines the recently proposed amendments to IAS 7 'Statement of Cash Flows' under the Disclosure Initiative
- [IFRS in Focus](#) (PDF) outlines the recent narrow scope amendments to IFRS 10, IFRS 12 and IAS 28 clarifying the application of investment entities exception
- [IFRS on point](#) (PDF) – November 2014 highlights critical IFRS related financial reporting developments.

### Deloitte Comment letters

- Deloitte [comment letter](#) on IASB ED/2014/3 'Recognition of Deferred Tax Assets for Unrealised Losses'
- Deloitte [comment letter](#) on International Organization of Securities Commissions' Consultation's 'Proposed Statement on Non-GAAP Financial Measures'.

### Deloitte Publications

- Deloitte's suite of iGAAP 2015 manuals are now available ([IAS Plus article](#)).

### Deloitte Podcasts

- Deloitte [Podcast](#) takes a look at Insights on Integrated Banking.

## 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 [December 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 appointed [three new Board members](#) from 1 January 2015 namely, Mike Blake, Andrew Kearnan and Megan Wilson
- The AASB Deputy Chair and Australian Auditor General Ian McPhee received the [Federal Government Leader of the Year Award](#) from the Chartered Accountants Australia and New Zealand
- The AASB has updated its standard setting [work program](#).

### International Accounting Standards Board

- The IASB has issued the latest edition of its newsletter, '[IASB Investor Update](#)', to provide investors with quick access to information on current accounting and financial reporting issues
- The IASB has updated its [work plan](#) as at 18 December 2014
- The IFRS Foundation has published '2015 IFRS Consolidated without early application' – the 'Blue Book' ([IAS Plus article](#))
- The IFRS Foundation has announced interim appointments to the IFRS Interpretations Committee and Advisory Council ([IAS Plus article](#))
- The IFRS Foundation has published 'Proposed Interim Release 3 to the IFRS Taxonomy 2014' for public comment ([IAS Plus article](#))

- The IASB has released a summary of the Capital Markets Advisory Committee meeting ([IAS Plus article](#))
- The IFRS Foundation has announced the appointments of the Vice-Chairs of the Trustee ([IAS Plus article](#))
- The IFRS Taxonomy Consultative Group (ITCG) has published summary of its December 2014 meeting ([IAS Plus article](#))
- IASB Vice-Chairman, Ian Mackintosh participated in a panel discussion and delivered prepared remarks at the annual American Institute of Certified Public Accountants (AICPA) Conference on Current SEC and PCAOB Developments being held in Washington DC ([IAS Plus article](#))
- The IASB has published its third batch of editorial corrections for 2014 ([IAS Plus article](#))
- The IASB has announced the launch of a new 'Investors in Financial Reporting' programme designed to foster greater investor participation in the development of IFRS ([IAS Plus article](#))
- IASB Chairman, Hans Hoogervorst gave a speech at the European Parliament Committee for Economic and Monetary Affairs in Brussels titled 'Building a credible Capital Markets Union' ([IAS Plus article](#)).

### Other global news

- The European Financial Reporting Advisory Group (EFRAG) has published the first EFRAG updates following the reforms to its governance arrangements ([IAS Plus article](#))
- The EFRAG has published a new endorsement status report reflecting:
  - the issuance of final amendments resulting from two implementation projects by IASB,
  - the issuance of final endorsement advice on 'Equity Method in Separate Financial Statements (Amendments to IAS 27)'
  - the fact that endorsement of IFRS 9 'Financial Instruments' has been put onto the agenda of the European Union(EU) again ([IAS Plus article](#))
- The EFRAG has issued final endorsement advice on allowing the application of equity method in separate financial statements ([IAS Plus article](#))
- The EU has published a Commission Regulation endorsing 'Annual Improvements to IFRSs 2011-2013 Cycle' ([IAS Plus article](#))
- The EFRAG has issued a draft comment letter on the IASB Exposure Draft (ED) proposing amendments that would clarify the classification and measurement of share-based payment transactions ([IAS Plus article](#))
- The Board of the EFRAG has announced the appointment of six new members of its Technical Experts Group (TEG) ([IAS Plus article](#))
- The Financial Accounting Foundation (FAF) and the Financial Accounting Standards Board (FASB) have issued a statement welcoming a possible voluntary disclosure of IFRS-based financial reporting information in addition to US GAAP-based information ([IAS Plus article](#))
- The Italian standard-setter Organismo Italiano di Contabilità (OIC) is helping the IASB to understand investor views on accounting changes by conducting a short survey ([IAS Plus article](#))
- Russell Golden, the Chairman of the US Financial Accounting Standards Board (FASB), gave a speech at 2014 American Institute of Certified Public Accountants (AICPA) Conference on Current SEC and PCAOB Developments on the FASB's post-convergence project agenda ([IAS Plus article](#))
- SEC officials discuss another potential alternative for using IFRS in the United States ([IAS Plus article](#))
- Mr Jim Schnurr, Chief Accountant at the Securities and Exchange Commission (SEC), provided some insights into the possible way forward for IFRSs in the United States at a recent conference, suggesting that another approach to IFRSs in the United States may be forthcoming in the near future ([IAS Plus article](#))
- The EU has made available the responses received to the public consultation on the impact of IFRSs in the EU ([IAS Plus article](#)).