

Monthly roundup - October 2013

Staying on top of financial reporting developments

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Monthly highlights

ASIC's focus area for December year ends

ASIC has announced its areas of focus for 31 December 2013 financial reports of listed entities and other significant economic entities due to wide range of stakeholders and number of employees.

Many of the focus areas are consistent with prior periods but some new areas of focus include the impact of the new requirements for consolidation, joint arrangements and unconsolidated structured entities, as well as quality operating and financial reviews in the director's report. ASIC has also indicated that they will be focusing on tax effect accounting which can be complex

Some of their key areas of focus in challenging economic times are:

- revenue recognition and expense deferral policies;
- valuation of assets and impairment; and
- going concern assessment..

ASIC continues to highlight the importance of providing useful and meaningful information in the financial report and immaterial disclosures that clog the financial statements are not encouraged by ASIC. The concern of disclosure overload has also been widely discussed and has been included on the agenda of many standard-setters and regulators globally. This month the IASB has announced the formation of a new staff group for its Disclosure Initiative project. The initiative has a number of strategies, both short- and medium-term to improve how financial information is disclosed. For further information refer to Deloitte's global publication on the IASB's disclosure initiative group below.

Preparers of financial statements should consider the ASIC's areas of focus in preparing for the December reporting season.

Please click for:

- [IASB Press release](#)
- [ASIC Link](#)

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New pronouncements

Australian Accounting Standards Board (AASB)

Pronouncement	Key dates	More information
<p><i>AASB 2013-6 Amendments to AASB 136 arising from Reduced Disclosure Requirements</i></p> <p>Sets out the disclosures proposed in AASB ED 235 from which it is proposed entities applying Tier 2 reporting requirements should be exempt.</p>	Effective for annual periods beginning on or after 1 January 2014	AASB 2013-6 (PDF)
<p><i>AASB 2013-7 Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders</i></p> <p>Sets out the disclosures proposed in AASB ED 241 from which it is proposed entities applying Tier 2 reporting requirements should be exempt.</p>	Effective for annual periods beginning on or after 1 January 2014	AASB 2013-7 (PDF)

International Accounting Standards Board (IASB)

Pronouncement	Key dates	More information
<p><i>No major accounting pronouncements released by the IASB in October 2013</i></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>AASB regular meeting</p> <p>23 – 24 October 2013</p>	<p>Key issues discussed include:</p> <ul style="list-style-type: none"> • AASB ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities • IASB's recent tentative decisions on the Disclosure Initiative project • Withdrawal of AASB 1031 Materiality • Key issues raised in AASB's submission to IASB on ED/2013/8 Agriculture: Bearer Plants • Emissions Trading Schemes • IASB's conceptual framework • Key issues raised in AASB's submission to the IASB on ED/2013/7 Insurance Contracts • Updates on the joint IASB and FASB Revenue from Contracts with Customer project • IASB's Conceptual Framework project • Update on IASB's Financial Instruments project. 	<p>AASB action alert (PDF)</p>

The IASB did not hold any regular standard setting meeting on October 2013

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 — IFRS Accounting Developments and Information: September 2013](#) (PDF) highlights critical IFRS-related financial reporting developments for the month
- [IASB Project Insights](#) provide a quick overview of the current status of the key projects of the IASB. No new updates posted in October 2013.

Deloitte Comment letter

- Deloitte [comment letter](#) on IFRS Interpretations Committee agenda decisions on IFRS 10, IFRS 11, IAS 19 and IAS 32, as published in the July IFRIC Update
- Deloitte [comment letter](#) on the IASB Exposure Draft ED/2013/7 'Insurance Contracts'
- Deloitte [comment letter](#) on the IASB Exposure Draft ED/2013/8 'Agriculture: Bearer Plants'.

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 [October 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 Standards Board (AASB) has published its first [Occasional Papers](#) providing a conceptual analysis of the principal issues concerning the financial reporting of liabilities. The paper argues that there has been a historical focus on assets, which may be due to the nature of some liabilities that are difficult to be measured reliably. The paper indicated that many issues remain unresolved and conclusions reached are often inconsistent. The paper aims to address the main issues including definition, recognition and measurement of liabilities, and also deals with the related disclosures.
- The AASB has updated its [work programme](#) as at 25 October 2013.

International Accounting Standards Board

- The IFRS Foundation Education Initiative has made available free-to-download Framework-based teaching material in all of the United Nations languages (Arabic, Chinese, English, French, Russian and Spanish) and Portuguese ([IAS Plus article](#)).

Other global news

- The CFA Institute, a US-based association of investment professionals with international membership, has published the results of a 'Credit loss and impairment survey', showing that investment professionals are divided on the best method for reporting credit losses and impairment ([IAS Plus article](#))
- The International Federation of Accountants (IFAC) issued Policy Position Paper 8, 'Enhancing Organizational Reporting', emphasizing the importance and usefulness of reporting broad-based information beyond that which is provided in traditional financial reporting. IFAC also calls for convergence in this context ([IAS Plus article](#))
- The International Public Sector Accounting Standards Board (IPSASB) has published a series of five exposure drafts on accounting for interests in other entities. The five exposure drafts are based on the 'package of five' standards issued by the IASB in May 2011 dealing with consolidation, joint arrangements, the equity method, separate financial statements and disclosure. However, a number of amendments has been proposed to the IASB's pronouncements to tailor them for the public sector ([IAS Plus article](#))
- In May 2013, the European Financial Reporting Advisory Group (EFRAG) launched a public consultation on long-term investing activities business models. EFRAG's reason for the consultation were the European Green Paper on possible ways for supporting long-term investment and the limited amendments to IFRS 9 the IASB had proposed in November 2012, which would see the introduction of a new separate business model of "held to collect and sell". EFRAG has now communicated the input received from constituents in the consultation and corresponding recommendations to the IASB ([IAS Plus article](#)).