

Monthly roundup - October 2014

Staying on top of financial reporting developments

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October 2014 edition

Issued 7 October 2014

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Monthly highlights

New Chair of the Australian Accounting Standards Board announced

In September 2014, the Federal Government has announced the appointment of Ms Kris Peach as the new Chair of the AASB from 3 November 2014 for a five year term. Ms Peach's appointment follows the retirement of Mr Kevin Stevenson from the role in June 2014.

Ms Peach is currently a partner in the KPMG's International Standards Group and the Australia's Department of Professional Practice, providing accounting advice to a wide range of public and private entities. She has also previously served on the AASB both as a member and as the Deputy Chair.

Angus Thomson, Research Director at the AASB, will continue to act as Chair of the AASB until Ms Peach's term commences in November 2014.

Please click for:

- [AASB Media release](#)

Australian Accounting Standards Board (AASB)

Pronouncement	Key dates	More information
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ED 254 'Measuring Quoted Investments in Subsidiaries, Joint Ventures and Associates at Fair value'	Comments to the AASB due by 12 December 2014	ED 254 (PDF)
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Incorporates the Exposure draft released by the IASB that sets out proposed amendments to clarify that an entity should measure the fair value of quoted investments and quoted cash-generating units as the product of the quoted price for the individual financial instruments that

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make up the investments held by the entity and the quantity of financial instruments.

International Accounting Standards Board (IASB)

Pronouncement	Key dates	More information
DP/2014/2 'Reporting the Financial Effects of Rate Regulation'	Comments due to the IASB by 15 January 2015	IAS Plus article DP/2014/2 (PDF)
The purpose of the DP is to solicit feedback from constituents whether, and under which circumstances, financial effects arising from rate regulation should be accommodated in financial reporting.		
ED/2014/4 'Measuring Quoted Investment in Subsidiaries, Joint Ventures and Associates at Fair value'	Comments due to the IASB by 16 January 2015	IAS Plus article ED/2014/4 (PDF)
The ED amends several International Accounting Standards to clarify that the unit of account for investments in subsidiaries, joint ventures and associates is the investment as a whole, and added an additional illustrative example to IFRS 13.		
Annual Improvements to IFRSs 2012–2014 Cycle	Effective for annual periods on or after 1 January 2016	IASB Press release IAS Plus article
Amends a number of pronouncements as a result of the IASB's 2012-2014 annual improvements cycle.		
Key amendments include:		
<ol style="list-style-type: none">1. IFRS 5 – Changes in methods of disposal;2. IFRS 7 – Servicing contracts and applicability of the amendments to IFRS 7 to condensed interim financial statements;3. IAS 19 – Discount rate: regional market issue4. IAS 37 – Disclosure of information 'elsewhere in the interim financial report'.		
Narrow-scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and	Effective for annual periods on or after 1 January 2016	IASB Press release IAS Plus article

Joint Ventures (2011)

The amendments address a conflict between the requirements of IAS 28 'Investments in Associates and Joint Ventures' and IFRS 10 'Consolidated Financial Statements' and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

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
IFRS IC meeting	Key issues discussed include:	Deloitte observer notes IFRIC update (PDF)
16-17 September 2014,	<ul style="list-style-type: none"> › IFRS 11 – Classification of joint arrangements › IFRS 5 – Non-current assets held for sale and discontinued operations › IAS 12 – Measurement of income tax on uncertain tax positions › IFRIC 14 – Availability of refunds from a defined benefit plan managed by an independent trustee › Conceptual Framework – Transition requirements for the revised Conceptual Frameworks › IFRS Interpretations Committee work in progress › Administrative Session – Review of the IFRS Interpretations Committee's activities › IFRIC 21 — Levy on PPE of service provider › IAS 28 — Assessment of fund manager's significant influence over funds › IFRS 12 — Disclosures for a subsidiary with a material non-controlling interest and for a material joint venture or associate › IAS 39 — Accounting for embedded foreign currency derivatives in host contracts › IFRS 13 — The Fair Value Hierarchy – Using quoted prices provided by third parties. 	
IASB regular meeting	Agenda for the meeting was as follows (click on the links for direct access to the Deloitte observer notes for that topic):	Deloitte observer notes IASB update (PDF)
22-24 September 2014,	<ul style="list-style-type: none"> › Post-implementation review of IFRS 3 › Research Programme › Insurance contracts › Conceptual framework 	

› [IFRS IC issues](#)

AASB regular meeting	Key issues discussed include:	AASB action alert (PDF)
3-4 September 2014	<ul style="list-style-type: none">› Borrowing costs of NFP Public Sector Entities› Fair Value Measurement – Implementation Issues› Income from Transactions of NFP Entities› Service Concession Arrangements› Property, Plant and Equipment – Residual Value› AASB 10 and AASB 128 Scope Exclusions› Revenue› Cross-Referencing in Australian Accounting Standards.	

IFRS publications

- [IFRS on point](#) (PDF) – August 2014 highlights critical IFRS- related financial reporting developments
- [IFRS in Focus](#) (PDF) – IASB issues Annual Improvements to IFRSs: 2012-2014 Cycle
- [IFRS in Focus](#) (PDF) – IASB publishes discussion paper on rate regulation
- [IFRS in Focus](#) (PDF) – IASB proposes amendments to clarify the unit of account and measurement of quoted investments in subsidiaries, joint ventures and associates at fair value
- [IFRS in Focus](#) (PDF) – IASB publishes amendments to IFRS 10 and IAS 28 (2011) dealing with the sale or contribution of assets between an investor and its joint venture or associate.

Deloitte comment letters

- Deloitte [comment letter](#) on the European Financial Reporting Advisory Group (EFRAG), the Accounting Standards Board of Japan (ASBJ), and the Organismo Italiano di Contabilità (OIC) Discussion Paper 'Should Goodwill still not be Amortised? Accounting and Disclosure for Goodwill'
- Deloitte has submitted several comment letters to the IFRS Interpretations Committee concerning its agenda decisions on [IAS 2](#), [IAS 16](#), [IAS 21](#), [IAS 39](#) and [IFRS 12](#), as published in the July IFRIC Update
- Deloitte [comment letter](#) on the IASB's Exposure Draft 'Investment Entities: Applying the Consolidation Exception (Proposed amendments to IFRS 10 and IAS 28)'.
- Deloitte [comment letter](#) on the IASB's 'Investment Entities: Applying the Consolidation Exception (Proposed amendments to IFRS 10 and IAS 28)'.

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 [September 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 issued [ITC 32](#) 'Reporting the Financial Effect of Rate Regulation'
- The AASB has submitted a [comment letter](#) to the IFRS Interpretations Committee (the Committee) concerning the Committee's tentative agenda decisions on IAS 16 *Property, Plant and Equipment* included in the July 2014 *IFRIC Update*.

International Accounting Standards Board

- IASB Chairman Hans Hoogervorst gave a speech at an IFRS Conference in Tokyo titled 'The dangers of ignoring unrealised income' ([IAS Plus article](#))
- The IASB has published its second batch of editorial corrections for 2014 ([IAS Plus article](#))
- The IFRS Foundation (IFRSF) has announced that 'A Guide through IFRS 2014' is now available ([IAS Plus article](#))
- The IFRSF has added 8 new jurisdiction profiles on the use of IFRS, bringing the total number of profiles completed to 138 jurisdictions ([IAS Plus article](#))
- The IFRSF has published a staff paper that provides a perspective from the staff on the issues highlighted in the public consultation issued by the European Commission (EC) in August on the impact of IFRSs in the EU ([IAS Plus article](#))
- The IASB has updated its [work plan](#) as at 26 September 2014.

Other global news

- In a joint effort, the EFRAG, the Spanish Instituto de Contabilidad y Auditoría de Cuentas (ICAC), the Italian Organismo Italiano di Contabilità (OIC) and the Dutch Raad voor de Jaarverslaggeving (RJ) have published a discussion paper on 'Separate Financial Statements' ([IAS Plus article](#))
- The Malaysian Accounting Standards Board (MASB) has announced that 'Transitioning Entities' in the real estate, agricultural and allied industries will be required to apply the Malaysian Financial Reporting Standards Framework which comprises standards as issued by the IASB and allows Malaysian entities to assert full compliance with IFRS ([IAS Plus article](#))
- The EFRAG has updated its endorsement status report to:
 - reflect that the Accounting Regulatory Committee (ARC) has voted in favour of the amendments from the 2010-2012 and 2011-2013 annual improvements cycles ([IAS Plus article](#));
 - include 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)', which was issued by the IASB on 11 September 2014 ([IAS Plus article](#));
 - to include 'Annual Improvements to IFRSs 2012–2014 Cycle', published on 25 September 2014 ([IAS Plus article](#))
- The EFRAG, the French ANC and the UK FRC have released a feedback statement with a summary of the comments received from the respondents on the research paper 'The Role of the Business Model in Financial Statements' issued in December 2013 ([IAS Plus article](#))
- The EFRAG, the European Federation of Financial Analysts Societies (EFFAS) and the Association Belge des Analystes Financiers (ABAF), the Association of Certified International Investment Analysts (ACIIA) and the International Accounting Standards Board (IASB) have made available a report of the discussions held during their second outreach event held on 25 June 2014 to discuss what role investors and advisers can play in ensuring quality financial reporting ([IAS Plus article](#))
- The EFRAG has issued feedback statement with a summary of the comments received from the respondents on 'The Equity Method: a measurement basis or one-line consolidation?' ([IAS Plus article](#))
- The EFRAG has released a new issue of its 'EFRAG Update' newsletter, summarising the discussions held at the EFRAG TEG conference call of 24 July and the EFRAG TEG meeting of 3-5 September 2014 ([IAS Plus article](#))
- The New Zealand Accounting Standards Board (NZASB) has issued revised versions of its Standards and Framework applying to Public Benefit Entities (PBEs) to incorporate specific requirements applying to not-for-profit entities in the top two 'tiers' under New Zealand's differential reporting framework ([IAS Plus article](#))
- The EFRAG has issued a fourth 'Short Discussion Series (SDS) paper on the presentation of reversal of acquisition step-ups ([IAS Plus article](#))
- The EFRAG has issued a draft comment letter on the amendments to IAS 12 'Income Taxes' that the IASB proposed in response to diversity in practice and that are relevant in circumstances in which the entity reports tax losses ([IAS Plus article](#))
- The EFRAG has submitted to the European Commission its endorsement advice letter and effects study report on the amendments to IAS 16 and IAS 41 that bring bearer plants into the scope of IAS 16 ([IAS Plus article](#)).