



Australia
Assurance & Advisory Services

Monthly roundup
[Staying on top of financial reporting developments](#)

November 2014 edition
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Monthly highlights

ASIC's focus area for December years ends

ASIC has announced its areas of focus for 31 December 2014 financial reporting season.

Consistent with prior periods, ASIC is focused on the value of assets, accounting policy choices and disclosures that provide useful and meaningful information for investors.

Key areas of focus for this financial reporting season include:

- accounting estimates – impairment testing, asset values and amortisation of intangible assets;
- accounting policy choices – off balance sheet exposures, revenue recognition, expense deferral policies and tax accounting; and
- key disclosures – estimates and accounting policy judgements, and the impact of the new revenue standard

Please click for [ASIC press 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 June 2014 financial reporting cycle](#) summary.)

Australian Accounting Standards Board (AASB)

Pronouncement	Key dates	More information
<p>ED 255 <i>Financial Reporting Requirements for Australian Groups with a Foreign Parent</i></p> <p>Seeks to amend AASB 128 Investments in Associates and Joint Ventures to require the application of the equity method by an ultimate Australian parent in accounting for an interest in an associate or joint venture if either the parent or the group is a reporting entity or both the parent and the group are reporting entities.</p>	Comments due by 24 November 2014	ED 255 (PDF)
<p>ED 256 <i>Removal of Cross-References from Financial Statements to Other Documents</i></p> <p>Seeks to amend AASB 1 First-time Adoption of Australian Accounting Standards and AASB 119 Employee Benefits to remove mention of providing specified disclosures by cross-reference from the financial statements to another document.</p>	Comments due by 28 November 2014	ED 256 (PDF)
<p>AASB 123 <i>Borrowing Costs</i></p> <p>AASB has added a basis for conclusion AASB 123 Borrowing Costs to explain its reasoning for retaining the option in the Standard for not-for-profit public sector entities to expense all borrowing costs as incurred.</p>	Effective for annual reporting periods beginning on or after 1 January 2009, with earlier application permitted	AASB 123 (PDF)

International Accounting Standards Board (IASB)

Pronouncement	Key dates	More information
<p><i>No major accounting pronouncements released by the IASB in October 2014</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>IASB regular meeting</p> <p>22 –24 October 2014</p>	<p>Agenda for the meeting was as follows (click on the link under "More information" for direct access to the Deloitte observer notes for each topic):</p> <ul style="list-style-type: none"> • Disclosure Initiative • IFRIC update • Leases • Investment Entities: Applying the Consolidation Exception • IFRS for SMEs • Conceptual Framework • Insurance Contracts 	<p>Deloitte observer notes</p> <p>IASB updates (PDF)</p>

Meeting	Highlights	More information
AASB regular meeting 22-23 October 2014	Key issues discussed include: <ul style="list-style-type: none"> • Service Performance Reporting • Income from Transactions of Not-for-Profit Entities • Fair Value Measurement – Unit of Account • Dynamic Risk Management • Recognition of Deferred Tax Assets for Unrealised Losses • Disclosure Initiative • IASB conceptual Framework Project • Insurance Contracts • IFRS Interpretations Committee Update • Research Centre Update • International Meetings Report 	AASB action alert (PDF)

The IFRS IC did not hold a regular meeting in October 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 project insights – Insurance contracts](#) (PDF) provides a summary of the IASB's projects on insurance contracts and includes tentative decisions on insurance reached during the IASB meetings in 2014
- [IFRS on point](#) (PDF) – September 2014 highlights critical IFRS- related financial reporting developments
- [IFRS model financial statements 2014](#) (PDF) – Illustrate the presentation and disclosure requirements of International Financial Reporting Standards (IFRSs) for the year ended 31 December 2014 by an entity that is not a first-time adopter of IFRSs
- [IFRS compliance, presentation and disclosure checklist 2014](#) (PDF) – Summarises the recognition, measurement, presentation and disclosure requirements set out in IFRSs in issue as of 30 April 2014
- [IAS 34 compliance checklist 2014](#) (PDF) – Summarises the requirements of IAS 34 Interim Financial Reporting
- [IFRS in your pocket 2014](#) (PDF) – Provides an update of developments in IFRSs up to July 2014
- Deloitte's IFRS Global Office has issued updated versions of the IFRS compliance, presentation, and disclosure checklist and the IAS 34 compliance checklist for 2014 ([IAS Plus article](#))

Deloitte Comment letters

- Deloitte [comment letter](#) on IASB DP 2014/1 'Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging'.
- Deloitte [comment letter](#) on International Valuation Standards Council's (IVSC) Agenda Consultation.

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 [June 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 the [Compiled versions](#) of Standards and Interpretations that apply to annual reporting period beginning on or after 1 January 2014.
- The Australian Accounting Standards Board (AASB) has published the [Compiled versions](#) of Standards and Interpretations that apply to annual reporting period beginning on or after 1 July 2014.
- The AASB has submitted a [comment letter](#) to the IFRS Interpretations Committee (the Committee) concerning the Committee's tentative agenda decision on IFRIC 21 Levies included in the September 2014 IFRIC Update. The AASB comment letter expresses concern in relation to the wording of the tentative agenda decision.
- AASB Chair and CEO Kris Peach has commenced her 5 year term. Stakeholder consultation will be her immediate priority. Angus Thomson has very ably acted as Chair since Kevin Stevenson completed his term in June 2014 and will continue as Research Director/Deputy CEO.

International Accounting Standards Board

- Six Academic papers were presented at IASB's first Research forum ([IAS Plus article](#))
- IASB Chairman Hans Hoogervorst gave a speech at IOSCO Conference titled 'Role global accounting standards play in strengthening corporate governance in the capital markets' ([IAS Plus article](#))
- The International Accounting Standards Board (IASB) has updated its work plan. The revised plan adds an expect dates for final IFRSs on leases (H2 2015) and investment entities (Q4 2014); narrows the target range for the discussion paper on principles of disclosure to the second quarter of 2015; and moves the target date for an exposure draft on the classification of liabilities to the first quarter of 2015. Further, the revised plan provides an updated date for the feedback statement on the post-implementation review of IFRS 3 (now Q1 2015). Lastly, it includes updates to the expected timing of board discussions for the research project on inflation (Q1 2015) and adds a new research topic on performance reporting to be discussed during the first quarter of 2015 ([IAS Plus article](#))

Other global news

- The European Financial Reporting Advisory Group (EFRAG) has updated its Endorsement Status Report to:
 - include its draft endorsement advice letter on 'Annual Improvements to IFRS 2012-2014 Cycle' ([IAS Plus article](#))
 - include its draft endorsement advice letter on 'Equity Method in Separate Financial Statements (Amendments to IAS 27)' ([IAS Plus article](#))
 - include its draft endorsement advice letter on IFRS 15 'Revenue from Contracts with Customers' ([IAS Plus article](#))
- The Federation of European Accountants (Fédération des Experts-comptables Européens, FEE) has published a paper offering an overview of the European Commission's initiative to develop European Public Sector Accounting Standards (EPSAS) ([IAS Plus article](#))
- The EFRAG has released a new issue of its 'EFRAG Update' newsletter, summarising the discussions held at the EFRAG CFSS meeting of 18 September 2014, the EFRAG TEG conference calls of 16 September and 1 October 2014 and the EFRAG TEG meeting of 8 and 9 October 2014 ([IAS Plus article](#))
- The EFRAG has issued a draft comment letter on the IASB Discussion Paper (DP) soliciting feedback from constituents whether, and under which circumstances, financial effects arising from rate regulation should be accommodated in financial reporting ([IAS Plus article](#))
- At the FASB/IASB joint transition resource group for revenue recognition, James Kroeker, the FASB vice chairman, announced that the FASB and its staff plan to conduct further outreach with both public and private companies over the next several months to gauge their progress in preparing to implement the guidance in ASU 2014-09 (equivalent to the IASB's IFRS 15 revenue standard) ([IAS Plus article](#))
- The European Financial Reporting Advisory Group (EFRAG) has issued a draft comment letter on the IASB Exposure Draft (ED) proposing amendments to six standards regarding the unit of account for investments in subsidiaries, joint ventures and associates ([IAS Plus article](#))
- The EFRAG and the National Standard Setters from France, Germany, Italy and the UK performed additional public consultations on the two different approaches for lessees proposed by the IASB and

FASB. The consultations were complemented by an outreach event in September 2014 ([IAS Plus article](#))

- The Enhanced Disclosure Task Force (EDTF) presented its second progress report on the implementation of disclosure recommendations ([IAS Plus article](#))
- The European Financial Reporting Advisory Group (EFRAG), the European Federation of Financial Analysts Societies (EFFAS) and the Association Belge des Analystes Financiers (ABAF), and the International Accounting Standards Board (IASB) have made available a summary of the discussions held during their outreach event held on 7 July 2014, which discussed the proposals and the potential impact of the IASB's Discussion Paper 'Accounting For Dynamic Risk Management: A Portfolio Revaluation Approach' ([IAS Plus article](#))
- The International Public Sector Accounting Standards Board (IPSASB) has issued its 'Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities' providing concepts that will underpin the development of International Public Sector Accounting Standards (IPSASs) and Recommended Practice Guidelines (RPGs) in the coming years ([IAS Plus article](#))