

**Australia  
Assurance & Advisory Services**

Monthly roundup  
Staying on top of financial reporting developments

ASIC's focus area for June year ends, AASB issues proposed guidance on Income for Not-for-Profit entities

**June 2015 edition**  
Issued 16 June 2015

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**ASIC's focus areas for June year ends**

ASIC has announced its area of focus for the 30 June 2015 financial reporting season. Consistent with prior periods, ASIC continues to focus on values of assets and accounting policy choices. ASIC has emphasised the importance of asset values, in particular to assets of companies in extractive industries, and mining support services, as well as asset values that may be affected by digital disruption.

Preparers of financial statements should carefully consider ASIC's area of focus in preparing their half year or annual financial reports to ensure compliance with regulatory reporting requirements as ASIC has announced in June 2014, that it will disclose publicly when a company has made material changes to its result subsequent to ASIC's inquiry as part of its surveillance programme. To date, ASIC has released ten restatements of entities across various industries on valuation of assets, intangibles, tax accounting and revenue recognition, all of which has been included in ASIC's area of focus previously.

For details of the focus areas, please refer to ASIC Media release [15-139 MR Focus areas for 30 June 2015 financial reports](#).

**AASB issues proposed guidance on Income for Not-for-Profit entities**

AASB has issued an Exposure Draft proposing guidance on income for not-for-profit entities. The ED proposes to add authoritative implementation guidance to AASB 15 'Revenue from Contracts with Customers' for application by Australian not-for-profit entities in the private and public sector; and replace AASB 1004 'Contributions', including income recognition requirements for donations, grants taxes and similar transactions. Comments are due to the AASB by 14 August 2015.

Refer to [ED 260 Income for Not-for-Profit Entities](#) for details.

**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 2015 financial reporting cycle](#) summary.)

## Australian Accounting Standards Board (AASB)

Pronouncement	Key dates	More information
<b><i>ED 263 Effective date of AASB 15 Revenue from Contracts with Customers (Proposed amendments to AASB 15)</i></b>	Comments due by 19 June 2015	<a href="#">ED 263</a> (PDF)
Propose to amend the effective date of AASB 15 to periods beginning on or after 1 January 2018 instead of 1 January 2017.		
<b><i>ED 262 Fair Value Disclosures of Not-for-Profit Public Sector Entities</i></b>	Comments due by 4 June 2015	<a href="#">ED 262</a> (PDF)
Proposes relief for not-for-profit public sector entities from certain specified disclosures in AASB 13 applying to fair value measurements categorised within Level 3 of the fair value hierarchy. The relief applies to assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows.		
<b><i>ED 261 Service Concession Arrangements: Grantor</i></b>	Comments due by 27 July 2015	<a href="#">ED 261</a> (PDF)
Seeks to prescribe the accounting for a service concession arrangement by a grantor that is a public sector entity.		
<b><i>ED 260 Income for Not-for-Profit Entities</i></b>	Comments due by 14 August 2015	<a href="#">ED 260</a> (PDF)
Refer to Monthly highlights for details.		

## International Accounting Standards Board (IASB)

Pronouncement	Key dates	More information
<b><i>ED/2015/2 Effective date of IFRS 15 (Proposed Amendments to IFRS 15)</i></b>	Comments due by 3 July 2015	<a href="#">ED/2015/2</a> (PDF) <a href="#">IAS Plus article</a>
Amends the mandatory effective date for of IFRS 15 from annual periods beginning on or after 1 January 2017 to annual periods beginning on or after 1 January 2018.		
<b><i>ED/2015/3 Conceptual Framework for Financial Reporting</i></b>	Comments due by 26 October 2015	<a href="#">ED/2015/3</a> (PDF) <a href="#">IAS Plus article</a>
A comprehensive Exposure Draft containing proposals for topical areas where the IASB considers a revision and amendment of the existing Conceptual Framework is necessary. This ED included a number of proposals to revise the definition of an asset and a liability, to introduce guidance on measurement and derecognition, and to set a framework for presentation and disclosure.		
<b><i>Amendments to the IFRS for SMEs</i></b>	Effective for annual reporting periods beginning on or after 1 January 2017	<a href="#">IASB press release</a> <a href="#">IAS Plus article</a>
The amendments to the IFRS for SMEs standard is the result of the first comprehensive review of the IFRS for SMEs standard conducted by the IASB to clarify existing requirements or add supporting guidance, rather than to change the underlying requirement of the standard.		

## 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
<b>IASB regular meeting</b> <b>18 - 20 May 2015</b>	Agenda for the meeting was as follows (click on the links for direct access to the Deloitte observer notes for that topic): <ul style="list-style-type: none"> <li>• <a href="#">Rate-regulated activities</a></li> <li>• <a href="#">Insurance contracts</a></li> <li>• <a href="#">Dynamic risk management</a></li> <li>• <a href="#">Disclosure initiative</a></li> </ul>	<a href="#">Deloitte observer notes</a> <a href="#">IASB updates (PDF)</a>
<b>IFRS IC meeting</b> <b>12 May 2015</b>	Key issues discussed include: <ul style="list-style-type: none"> <li>• IAS 21 - Draft interpretation on foreign currency transactions and advance consideration — sweep issue</li> <li>• IAS 16 - Accounting for proceeds and costs of testing of PPE</li> <li>• IFRS 5 - Non-Current assets held for sale and discontinued operations</li> <li>• IFRS 13 - Fair value hierarchy</li> <li>• IFRS 10 - Single-asset, single-lessee lease vehicles and the assessment of control under IFRS 10</li> <li>• IAS 24 - Definition of close members of the family of a person</li> <li>• IFRS 11 - Becoming a joint operator through acquisition of an additional interest in an existing joint operation</li> <li>• IAS 23 - Borrowing costs on completed qualifying assets</li> </ul>	<a href="#">Deloitte observer notes</a> <a href="#">IFRIC updates (PDF)</a>
<b>AASB meeting</b> <b>27-28 May 2015</b>	Key issues discussed include: <ul style="list-style-type: none"> <li>• Recognition of Residual Value for Infrastructure Assets</li> <li>• Depreciated Replacement Cost as a Measure of Value in Use</li> <li>• Reporting Service Performance Information</li> <li>• Australian Financial Reporting Framework</li> <li>• Reduced Disclosure Requirements (Tier 2)</li> <li>• Classification of Liabilities</li> <li>• IFRS 15 Deferral</li> <li>• Process for Consultation on AASB Work Plan</li> <li>• Calibrating the Value and Impairment of Intangible Assets</li> <li>• International Project Update</li> <li>• Research Update</li> <li>• Regulatory Update</li> <li>• Reissue of IFRS-Equivalent Pronouncements</li> <li>• International Valuation Standards Council Exposure Draft</li> </ul>	<a href="#">AASB action alert (PDF)</a>

## 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) - IASB proposes amendments to IFRS 15 to defer the effective date by one year
- [IFRS in Focus](#) (PDF) – IASB issues 2015 Amendments to the IFRS for SMEs
- [IFRS project insights – Insurance contracts](#) (PDF) – provides a summary of the IASB's project on insurance contracts and discusses the recent tentative decisions reached by the Board
- [IFRS on point](#) (PDF) – April 2015 highlights critical IFRS-related financial reporting developments
- Deloitte publishes '[Fifth Global IFRS Banking Survey – Finding your way](#)'
- [Elements for successful growth – Illustrative IFRS financial statements for Investments Funds 2014](#) (PDF) - this publication illustrates the presentation and disclosure requirements of IFRS for investment funds.

### Deloitte Comment letters

- Deloitte [Comment letter](#) on Basel Committee's 'expected credit losses' consultative document.

### Deloitte Webcast

- Robert Bruce interviews Sir David Tweedie, Chairman of the International Valuations Standards Council ([IAS Plus article](#)).

## 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 [May 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 launched on its website a facility for respondents to submit [comment letters on Exposure Drafts and other proposal documents](#).

### International Accounting Standards Board

- Former Chairmen of IASB and Financial Accounting Standards Board (FASB) discussed their vision of 'Accounting Standards for Global Capital Markets: Past, Present, and Future' at Baruch College in New York ([IAS Plus article](#))
- The IASB has published its website meeting notes of its most recent IFRS Taxonomy Consultative Group meeting ([IAS Plus article](#))
- The IFRS Foundation (IFRSF), the oversight body of the IASB, has announced two appointments to the IFRS Interpretations Committee ([IAS Plus article](#))
- The IFRSF has added 2 new jurisdiction (Palestine and Syria) profiles on the use of IFRS, bringing the total number of profiles completed to 140 jurisdictions ([IAS Plus article](#))
- The IFRS Foundation has submitted its response to the European Commission's (EC's) public consultation, 'Building a Capital Markets Union' ([IAS Plus article](#))
- IASB issues latest edition of 'The Essentials' newsletter ([IAS Plus article](#))
- The IASB has updated its [work plan](#) as at 27 May 2015
- The IFRSF under which the IASB operates has published its Annual Report for 2014, titled 'Financial reporting standards for the world economy' ([IAS Plus article](#))
- The IFRSF has announced that the Monitoring Board has approved the appointment of Sheila Fraser as Vice-Chair of the Trustees ([IAS Plus article](#))

- The IFRSF has announced that it is seeking nominations for membership in the Accounting Standards Advisory Forum (ASAF) and has issued a feedback statement in response to the review of this forum ([IAS Plus article](#)).

#### Other global news

- The International Valuation Standards Council (IVSC) has issued an engagement paper seeking comment and feedback on a number of recommendations and proposals that result from an external review of the IVSC. ([IAS Plus article](#))
- At a financial reporting conference at Baruch College in New York City, Jim Schnurr, Chief Accountant of the US Securities and Exchange Commission (SEC) gave an update on some of the recent activities of the Office of the Chief Accountant as well as some of the current thinking with respect to convergence and IFRS ([IAS Plus article](#))
- The Canadian Accounting Standards Board (AcSB) has issued its Draft Strategic Plan 2016 – 2021. Internationally, the AcSB proposes that it will continue its efforts to encourage the IASB and the FASB to narrow the differences between their respective sets of standards. It will also monitor the effective date decisions of jurisdictions applying IFRSs and work with others to encourage a common date for global adoption of new standards ([IAS Plus article](#))
- The staff of the International Public Sector Accounting Standards Board (IPSASB) have developed a short audio podcast and an accompanying publication to highlight how International Public Sector Accounting Standards (IPSASs) reflect the accounting consequences of sovereign debt restructuring transactions ([IAS Plus article](#))
- The European Commission had nominated Mr Wolf Klinz as President of the Board of the European Financial Reporting Advisory Group (EFRAG) in March. He was expected to take office by June after his nomination had been approved by the European Parliament and Council and after appointment by the General Assembly of EFRAG. However due to ill health Mr Klinz has decided not to accept the EFRAG Presidency ([IAS Plus article](#))
- The Accounting Standards Board of Japan (ASBJ) has published the Research Paper No.1 'Research on Amortisation of Goodwill' with a view to make a contribution to the global discussion regarding how goodwill should be accounted for ([IAS Plus article](#))
- The CFA Institute, a global association of investment professionals, has published 'Addressing Financial Reporting Complexity: Investor Perspectives' featuring results of a member survey on the topic ([IAS Plus article](#))
- The FASB has issued proposed ASU, 'Identifying Performance Obligations and Licensing', that would amend certain aspects of the Board's May 2014 revenue standard, specifically the guidance on identifying performance obligations and the implementation guidance on licensing ([IAS Plus article](#))
- The Institute of Chartered Accountants in England and Wales (ICAEW) has updated its report reviewing academic research papers that have looked at the impact of IFRS adoption both in the EU and in other countries ([IAS Plus article](#))
- The EFRAG has published a draft endorsement advice on IFRS 9 'Financial Instruments' ([IAS Plus article](#))
- The ICAEW has published a report setting out some practical insights and recommendations for policy makers, regulators, standard-setters and other interested parties in jurisdictions that have recently adopted IFRS or are considering doing so ([IAS Plus article](#)).