

Monthly roundup - June 2014

Staying on top of financial reporting developments

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June 2014 edition (Issued 5 June 2014)

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Monthly highlights

Finally, new 'Revenue Recognition Standard' issued

The International Accounting Standard Board (IASB) has published its new revenue Standard, IFRS 15 'Revenue from Contracts with Customers'. This standard is the result of a convergence project between the IASB and the US-based Financial Accounting Standards Board (FASB). The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and a number of revenue-related interpretations.

The key principle of the Standard is that an entity will recognise revenue when it transfers promised goods or services to customers for an amount that reflects its expected consideration. The new Standard introduces far more prescriptive and detailed implementation guidance than the previous revenue standards and the related interpretations.

The Standard will be effective for annual reporting periods beginning on or after 1 January 2017, with early application permitted. Entities can choose to apply this Standard retrospectively or to use a modified transition approach.

In Australia, the AASB has yet to issue the Australian equivalent of this Standard. It is expected that the AASB will issue the Australian Accounting Standard that incorporates IFRS 15 without modification, as soon as practicable. Once issued in Australia, the effective date for entities with June year-end, will be reporting period commencing 1 July 2017 (Year-end 30 June 2018).

Please click for:

- [IASB Press release](#)
- [IFRS in Focus - IASB issues new standard on revenue recognition](#) (PDF)
- IFRS industry insights that discuss the implication of the new IFRS 15 'Revenue from Contracts with Customers' in various industries, include; [investment management sector](#), [travel, hospitality and leisure sector](#), [life science sector](#), [retail, wholesale and distribution sector](#), [healthcare sector](#), [technology sector](#), [aerospace and defence sector](#), [real estate sector](#), [telecommunications sector](#), [automotive sector](#), and [media sector](#).

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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
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No major accounting pronouncements released by the AASB in May 2014.

International Accounting Standards Board (IASB)

Pronouncement	Key dates	More information
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<p>Accounting for Acquisitions of interests in Joint Operations (Amendments to IFRS 11)</p> <p>Sets out the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business.</p>	<p>Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.</p>	<p>IASB press release (PDF)</p> <p>IAS Plus article</p>
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<p>Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)</p> <p>Provides additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated.</p>	<p>Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.</p>	<p>IASB press release (PDF)</p> <p>IAS Plus article</p>
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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
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<p>AASB regular meeting</p> <p>28 –29 May 2014</p>	<p>Agenda for the meeting was as follows:</p> <ul style="list-style-type: none"> • Levies • ED 248 Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements • Reporting Entity Concept • Post-implementation review of IFRS 3 • Related Parties • Income from transactions of NFP entities 	<p>AASB action alert (PDF)</p>
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- Narrow Scope Amendments
- Insurance
- Financial Instruments
- Leases.

IASB regular meeting 20 –22 May 2014
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)

- [Insurance Contracts - Education session](#)
- [Amendments to IAS 41 - Bearer plants](#)
- [IFRS for SMEs - Education session](#)
- [Leases - Education session](#)
- [Equity method of accounting - Research project](#)
- [Equity method of accounting – Share of other net asset changes](#)
- [Insurance contracts](#)
- [Leases](#)
- [IAS 12 – Recognition of deferred tax assets for unrealised losses.](#)

IFRS IC meeting 13 – 14 May 2014
Key issues discussed include:

[Deloitte observer notes](#)

[IFRIC Update](#) (PDF)

- IFRS 11 - Analysis of implementation issues
 - IFRS 11 - Classification of joint arrangements
 - IAS 16 - Core inventories
 - IFRS 2 - Price differences in an initial public offering
 - IAS 12 - Recognition of deferred tax assets for unrealised losses
 - IAS 12 - Threshold of recognition of an asset on uncertain tax position
 - IAS 12 – Impact of an internal reorganisation on deferred tax
 - IAS 37 – Measurement of liabilities under IAS 37 within the context of emission trading schemes
 - IFRS 3 & IFRS 10 – Identification of the acquirer in accordance with IFRS 3 and the parent in accordance with IFRS 10 in a stapling arrangement
 - IAS 19 - Employee benefit plans with a guaranteed return on contributions or notional contributions
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- IAS 32 – Classification of an instrument that is mandatorily convertible into a variable number of shares, subject to a cap and a floor
 - IAS 16 – Disclosure of carrying amount information for assets stated at revalued amounts
 - IAS 1 - Issues related to application of IAS1
 - IFRIC 14 – Availability of refunds from a defined benefit plan managed by an independent trustee
 - IAS 19 - Remeasurement at a plan amendment of curtailment
 - Annual improvements (2012-2014 cycle).
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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 — IASB issues amendments to IFRS 11 'Joint Arrangements'](#) (PDF) addresses the accounting for acquisitions of interests in joint operations when the operation constitutes a business
- [IFRS in Focus — IASB amends IAS 16 and IAS 38](#) (PDF) seeks to clarify the acceptable methods of calculation depreciation and amortisation on property, plant and equipment and intangible asset
- [IFRS in Focus - IASB issues new standard on revenue recognition](#) (PDF) discusses the IASB's new Standard, IFRS 15 'Revenue from Contracts with Customers'
- [IFRS Project Insights - Insurance contracts](#) provides a summary of the IASB's project on insurance contracts
- [IFRS on Point - April 2014](#) highlights critical IFRS-related financial reporting developments for the month.

Deloitte Comment letter

- Deloitte [comment letter](#) on the Professional Accountants in Business Committee (PAIB) of the International Federation of Accounts (IFAC)'s exposure draft on 'Developing and Reporting Supplementary Financial Measures – Definition, Principles and Disclosures'
- Deloitte [comment letter](#) on the ESMA consultation on alternative performance measures.

Deloitte Podcasts

- [Deloitte podcast](#) on IFRS 15 'Revenue from Contracts with Customers'.

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 Australian Accounting Standards Board (AASB) issued [ITC 31 'Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging'](#)
- The AASB has commented on [IAS 37 measurement of liabilities tentative agenda decision](#) to IFRS Interpretations Committee.

International Accounting Standards Board

- The International Accounting Standards Board (IASB) has issued 'Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)' ([IAS Plus article](#))
- The International Accounting Standards Board (IASB) has published 'Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)' ([IAS Plus article](#))
- The International Accounting Standards Board (IASB) has updated IFRS taxonomy for IFRS 14 ([IAS Plus article](#))
- The Trustees of the IFRS Foundation, the oversight body of the International Accounting Standards Board (IASB), have announced appointments and reappointments to the IFRS Interpretations Committee ([IAS Plus article](#))
- The IASB has updated its [work programme](#) as at 28 May 2014.

Other global news

- The International Auditing and Assurance Standards Board (IAASB) has released an exposure draft of proposed changes to various International Standards on Auditing (ISAs) ([IAS Plus article](#))
- The IFRS Foundation (IFRSF) under which the IASB operates has published its Annual Report for 2013, titled 'Charting progress towards global accounting standards' ([IAS Plus article](#))
- The European Financial Reporting Advisory Group (EFRAG) has updated its Endorsement Status Report to include 'Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)' ([IAS Plus article](#))
- The European Financial Reporting Advisory Group (EFRAG) has updated its Endorsement Status Report to include 'Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)' ([IAS Plus article](#))
- The Trustees of the IFRS Foundation, the oversight body of the International Accounting Standards Board (IASB), have announced appointments and reappointments to the IFRS Interpretations Committee ([IAS Plus article](#)).