

**Australia
Assurance & Advisory Services**

Monthly roundup
Staying on top of financial reporting developments

March 2015 edition
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Monthly highlights

IASB staff publishes update on the leases project

The International Accounting Standards Board (IASB) has published a short update on the Leases Project. The Leases Project is another joint collaboration between the IASB and the US Financial Accounting Standards Board (FASB) to improve the accounting for leases.

The Boards jointly published a revised Exposure Draft *Leases* (the 2013 ED) in May 2013. The Boards have received extensive feedback on the proposal and have heard a wide range of views. The Boards have redeliberated most aspects of the project since March 2014 and the IASB plans to finalise the project and issue a new leases standard before the end of 2015.

This update focuses on how a lease would be defined in the new leases standard and includes a summary of the tentative decisions made during the 2014 redeliberations, clarifications from the 2013 ED and reasons for any changes, and also some specific examples. The general approach to defining a lease remains unchanged from the 2013 ED. However, the accompanying application guidance has been clarified to align the concept of 'control' more closely with the 'control' principle in other Standards, and address issues raised about the existing lease definition guidance.

For more information please click for:

- [IASB press release](#)
- [IAS Plus Lease project page](#)

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 December 2014 financial reporting cycle](#) summary.)

Australian Accounting Standards Board (AASB)

Pronouncement	Key dates	More information
<p><i>AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101</i></p> <p>Makes amendments to AASB 7 ‘Financial Instruments: Disclosure’, AASB 101 ‘Presentation of Financial Statements’, AASB 134 ‘Interim Financial Reporting’, and AASB 1049 ‘Whole of Government and General Government Sector Financial Reporting’ as a consequence of amendments to IAS 1 arising from IASB’s Disclosure Initiative project</p>	<p>Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted</p>	<p>AASB 2015-2 (PDF)</p>
<p><i>AASB 2015-3 Amendments to Australian Accounting Standards arising from withdrawal of AASB 1031 Materiality.</i></p> <p>Deletes references to AASB 1031 in the Australian Accounting Standards</p>	<p>Effective for annual periods beginning on or after 1 July 2015, with earlier application permitted for annual reporting periods beginning on or after 1 January 2014</p>	<p>AASB 2015-3 (PDF)</p>
<p><i>AASB 2015-4 Amendments to Australian Accounting Standards - Financial Reporting Requirements for Australian Groups with a Foreign Parent</i></p> <p>Aligns the relief available in AASB 10 ‘Consolidated Financial Statements’ and AASB 128 ‘Investments in Associates and Joint Ventures’ in respect of the financial reporting requirements for Australian groups with a foreign parent</p>	<p>Effective for annual periods beginning on or after 1 July 2015, with earlier application permitted</p>	<p>AASB 2015-4 (PDF)</p>
<p><i>AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception</i></p> <p>Amendments to AASB 10 ‘Consolidated Financial Statements’, AASB 12 ‘Disclosure of Interests in Other Entities’ and AASB 128 ‘Investment in Associates and Joint Ventures’ arising from the IASB’s narrow scope amendments associated with Investment Entities</p>	<p>Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted</p>	<p>AASB 2015-5 (PDF)</p>
<p><i>ED 259 Classification of Liabilities (Proposed Amendments to AASB 101)</i></p> <p>Incorporates ED/2015/1 Classification of Liabilities issued by the IASB that sets out proposed amendments to IAS 1</p>	<p>Comments due to the AASB by 9 May 2015</p>	<p>ED 259 (PDF)</p>

International Accounting Standards Board (IASB)

Pronouncement	Key dates	More information
<p><i>ED/2015/1 Classification of Liabilities (Proposed Amendments to IAS 1)</i></p> <p>The amendments aims at a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date</p>	<p>Comments due by 10 June 2015</p>	<p>ED/2015/1 (PDF) IAS Plus article</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
IASB regular meeting 18 - 20 February 2015	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">• IFRS for SMEs• Rate-regulated activities• Revenue Recognition• Insurance Contracts• Disclosure Initiative• Dynamic Risk Management• Leases• IFRS Implementation issues• Post-implementation review of IFRS 3	Deloitte observer notes IASB updates (PDF)
AASB regular meeting 11 February 2015	Key issues discussed include: <ul style="list-style-type: none">• Related Party Disclosures for Not-for-Profit Public Sector Entities• Service Concession Arrangements – Grantor Accounting• Removal of Cross-References from Financial Statements to Other Documents• Income from transactions of Not-for-Profit Entities• Residual Values of Recyclable Assets• Financial Instruments – Reduced Disclosure Requirements• Meeting with IPSASB Chair• International Projects	AASB action Alert (PDF)

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](#) (PDF) – January 2015 highlights critical IFRS-related financial reporting developments
- [IFRS in Focus](#) (PDF) – Highlights the proposed amendments to IAS 1 'Presentation of Financial Statements' set out in the recent exposure draft ED/2015/1 'Classification of Liabilities (Proposed amendments to IAS 1)'
- [IFRS in Focus](#) (PDF) – Summarises the January 2015 meeting of the IASB and FASB joint revenue transition resource group
- 'iGAAP 2015: A Guide to IFRS Reporting' – the latest edition in Deloitte's iGAAP series has been released that provides comprehensive guidance on IFRS requirements with a focus on practical issues faced by reporting entities ([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 [February 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 a [tentative agenda decision](#) in response to a request to clarify whether residual value, as defined in AASB 116 *Property, Plant and Equipment*, includes the cost savings from the re-use of in-situ materials
- The AASB has updated its [standard-setting work program](#) as at 20 February 2015.

International Accounting Standards Board

- The Monitoring Board of the IFRS Foundation has announced the reappointment of Masamichi Kono as the next Chair ([IAS Plus article](#))
- The IFRS Foundation staff has published a document setting out the key tentative decisions made by the IASB up to the end of January 2015 that affect the proposals in the discussion paper on the conceptual framework ([IAS Plus article](#))
- The IASB has published a podcast that summarises the IASB's tentative decisions on transition reliefs in the IFRS on insurance contracts that is currently being developed ([IAS Plus article](#))
- IASB member discusses pensions accounting ([IAS Plus article](#))
- The Trustees of the IFRS Foundation have announced the reappointment of Darrel Scott for a second term as IASB member beginning 1 July 2015 ([IAS Plus article](#))
- The IFRS Foundation has announced the appointments of Gavin Francis and Goro Kumagai as Vice-Chairs to the IFRS Advisory Council ([IAS Plus article](#))
- The IASB has updated its [work plan](#) as at 24 February 2015
- The IASB and FASB discuss potential clarifications to joint revenue recognition guidance ([IAS Plus article](#))
- The IASB has issued '[Investor Perspective](#)' on Insurance.

Other global news

- A Research Group of the Accounting Standards Board of Japan (ASBJ), the European Financial Reporting Advisory Group (EFRAG) and the Italian standard setter Organismo Italiano di Contabilità (OIC) has published a feedback statement summarising the comments received on the Discussion Paper 'Should goodwill still not be amortised? – Accounting and Disclosure for Goodwill' ([IAS Plus article](#))
- The EFRAG has submitted to the European Commission (EC) its endorsement advice letter on the amendments resulting from the 2012–2014 cycle of annual improvements ([IAS Plus article](#))
- The Global Reporting Initiative (GRI) has published 'Making headway in Europe', a new linkage document that shows how companies can use GRI's G4 Guidelines to comply with the European Directive on disclosure of non-financial and diversity information ([IAS Plus article](#))
- The EFRAG has published an 'EFRAG Update' summarising public technical discussions held and decisions made during January 2015 ([IAS Plus article](#))
- The EFRAG has issued a draft comment letter on the IASB exposure draft of amendments to IAS 7 proposing amendments that would improve disclosure in financial statements on an entity's financing activities and liquidity ([IAS Plus article](#))
- The EFRAG has published a feedback statement on input received during outreach activities conducted with European users on the IASB's Discussion Paper 'Reporting the Financial Effects of Rate Regulation' ([IAS Plus article](#))
- The International Public Sector Accounting Standards Board (IPSASB) has made available a presentation providing an overview of the key aspects of the 'Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities' ([IAS Plus article](#))
- The EFRAG has recommended to the EC to postpone the endorsement process on the amendments to IFRS 10 and IAS 28 regarding the sale or contribution of assets between an investor and its associate or joint venture until the IASB has addressed an identified conflict with IAS 28 ([IAS Plus article](#))
- The Indian Ministry of Corporate Affairs (MCA) has officially notified the road map for the adoption of Indian Accounting Standards (Ind AS), which are largely converged with IFRSs ([IAS Plus article](#))
- The EFRAG, the European Federation of Financial Analysts Societies (EFFAS) and the Association Belge des Analystes Financiers (ABAF), and the IASB have made available a report that summarises discussions from an outreach event in December 2014 on how to achieve the objectives proposed in the IASB's Discussion Paper 'Reporting the Financial Effects of Rate Regulation' ([IAS Plus article](#)).