IASB Update

From the International Accounting Standards Board

June 2014

Welcome to the *IASB Update*

The IASB met in public from 17-19 June 2014 at the IASB offices in London, UK.

The topics for discussion were:

- **Insurance Contracts**
- **Leases**
- ***Annual Improvements to IFRSs 2012–2014 Cycle***
- **IFRS IC Issues**
- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
- **Clarification of Classification and Measurement of Share-based Payment Transactions (Proposed amendments to IFRS 2)**
- **Recognition of Deferred Tax Assets for Unrealised Losses (Proposed amendments to IAS 12)**
- **Business combinations under common control**
- ***Conceptual Framework***
- **Discount rates research—review of existing requirements**

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Future board meetings

The IASB meets at least once a month for up to five days.

The next board meetings are:

17-25 July
18-25 September
16-24 October

To see all board meetings for 2014, **click here**.

Archive of *IASB Update* Newsletter

For archived copies of past issues of *IASB Update* on the IFRS website, **click here**.

Podcast summaries

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Insurance Contracts (Agenda Paper 2)

(IASB education session)

Contracts with participating features: the identification of underlying items (Agenda Paper 2D)

The IASB met on 17 June 2014 to continue its discussions on insurance contracts. In particular, the IASB continued its discussions on contracts with participating features by considering how it might limit the application of any alternative adaptations that it might make to its general model for insurance contract, when those adaptations would rely on the identification of the underlying items. At this meeting, the staff asked the IASB to provide direction for future work.

The IASB tentatively directed staff to continue work on the following basis:

a. the staff plan to ask the IASB to consider whether an entity should adjust the contractual service margin for changes in the insurer's share of the underlying items on the grounds that the insurer's share represents an implicit management fee. The IASB tentatively directed the staff to consider that question under the assumption that an implicit asset management fee should be considered to exist only when:
    i. the returns to be passed to the policyholder arise from the underlying items the entity holds (regardless of whether the entity is required to hold those items or whether the entity has discretion over the payments to policyholders);
    ii. there is a minimum amount (either fixed or determinable) that the entity must retain; and
    iii. the policyholder will receive a substantial share of the total return on underlying items.
b. the staff plan to ask the IASB whether an entity should apply a book yield approach for determining the interest expense presented in profit or loss. The IASB tentatively directed the staff to consider a book yield approach only for contracts in which:
    i. the returns passed to the policyholder arise from the underlying items the entity holds (regardless of whether the entity is required to hold those items); and
    ii. the policyholder will receive a substantial share of the total return on underlying items.

   The IASB also directed the staff to explore further the mechanics of the book yield approach, to help it understand the complexities of that approach.

The IASB noted it plans to make decisions about the accounting for contracts with participating features as a whole at a future meeting. Those decisions would include the questions of whether an entity should adjust the contractual service margin for the insurer's share of the underlying items and on the approach for determining the interest expense presented in profit or loss.

(IASB decision-making session)

At its meeting on 17 June 2014, the IASB also discussed the issues raised in the response to the 2013 Exposure Draft *Insurance Contracts* that were unrelated to the five targeted proposals, but that the IASB nonetheless agreed to reconsider. These issues related to:

- the discount rates for long-term contracts when there are few or no observable market data (Agenda Paper 2A);
- the asymmetrical treatment of gains from reinsurance (Agenda Paper 2B); and
- the level of aggregation (Agenda Paper 2C).

Discount rates for long-term contracts when there are few or no observable market (Agenda Paper 2A)

The IASB tentatively decided to:

a. confirm the principle that the discount rates used to adjust the cash flows in an insurance contract for the time value of money should be consistent with observable current market prices for instruments with cash flows whose characteristics are consistent with those of the insurance contract; and
b. provide additional application guidance that, in determining those discount rates, an entity should use judgement to:
    i. ensure that appropriate adjustments are made to observable inputs to accommodate any differences between observed transactions and the insurance contracts being measured.

ii. develop any unobservable inputs using the best information available in the circumstances, while remaining consistent with the objective of reflecting how market participants assess those inputs. Accordingly any unobservable inputs should not contradict any available and relevant market data.

All IASB members agreed with this decision.

Asymmetrical treatment of gains for reinsurance contracts that an entity holds (Agenda Paper 2B)

The IASB tentatively decided that, after inception, an entity should recognise in profit or loss any changes in estimates of fulfilment cash flows for a reinsurance contract that an entity holds when those changes arise as a result of changes in estimates of fulfilment cash flows for an underlying direct insurance contract that are recognised immediately in profit or loss.

All IASB members agreed with this decision.

Level of aggregation (Agenda Paper 2C)

The IASB tentatively decided to:

a. clarify that the objective of the proposed insurance contracts Standard is to provide principles for the measurement of an individual insurance contract, but that in applying the Standard an entity could aggregate insurance contracts provided that it meets that objective.
b. amend the definition of a portfolio of insurance contracts to be:
"insurance contracts that provide coverage for similar risks and are managed together as a single pool"; and
c. add guidance to explain that in determining the contractual service margin or loss at initial recognition, an entity should not aggregate onerous contracts with profit-making contracts. An entity should consider the facts and circumstances to determine whether a contract is onerous at initial recognition.

Fourteen IASB members agreed with these decisions and one IASB member disagreed. One IASB member was absent.

The IASB also tentatively decided to provide examples on how an entity could aggregate contracts but nonetheless satisfy the objective in a. above when determining the contractual service margin at a subsequent measurement.

Fifteen IASB members agreed with this decision. One IASB member was absent.

In March 2014, the IASB tentatively decided that an entity should choose to present the effect of changes in discount rates in profit and loss or in other comprehensive income as its accounting policy and should apply that accounting policy to all contracts within a portfolio. In the light of that previous decision, the IASB tentatively decided to clarify that, in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, an entity should select and apply its accounting policies consistently for similar contracts, considering the portfolio in which the contract is included, the assets that the entity holds and how those assets are accounted for.

Ten IASB members agreed with this decision and five IASB members disagreed. One IASB member was absent.

Next steps

The IASB will continue its redeliberations on the Insurance Contracts project at the July 2014 meeting.

Leases (Agenda Paper 3)

The FASB and the IASB (the boards) continued redeliberating the proposals in the May 2013 Exposure Draft *Leases*, specifically discussing the following topics:

a. subleases (Agenda Paper 3A/FASB Memo 286);
b. lessee balance sheet presentation (Agenda Paper 3B/FASB Memo 287); and
c. cash flow presentation (Agenda Paper 3C/FASB Memo 288).

Subleases (Agenda Paper 3A/FASB Memo 286)

The boards tentatively decided that an intermediate lessor (that is, an entity that is both a lessee and a lessor of the same underlying asset) should account for a head lease and a sublease as two separate contracts (accounting for the head lease in accordance with the lessee accounting proposals and the sublease in accordance with the lessor accounting proposals), unless those contracts meet the contract combinations guidance adopted by the boards at the April 2014 joint board meeting. All IASB and all FASB members agreed.

The FASB tentatively decided that, when classifying a sublease, an intermediate lessor should determine the classification of the sublease with reference to the underlying asset (for example, the item of property, plant, and equipment that is the subject of the lease), rather than with reference to the right-of-use (ROU) asset arising from the head lease. Five FASB members agreed.

The IASB tentatively decided that, when classifying a sublease, an intermediate lessor should determine the classification of the sublease with reference to the ROU asset arising from the head lease. All IASB members agreed.

The boards tentatively decided that an intermediate lessor should not offset lease assets and lease liabilities arising from a head lease and a sublease that do not meet the respective IFRS and US GAAP financial instruments requirements for offsetting. All IASB and all FASB members agreed.

The boards tentatively decided that an intermediate lessor should not offset lease income and lease expense related to a head lease and a sublease, unless it recognises sublease income as revenue and acts as an agent (assessed in accordance with the “principal-agent” guidance in the recently published standard on revenue from contracts with customers). All IASB and all FASB members agreed.

Lessee Balance Sheet Presentation (Agenda Paper 3B/FASB Memo 287)

The FASB tentatively decided that a lessee should either present as separate line items on the balance sheet or disclose in the notes Type A ROU assets (which are effectively purchases of the underlying asset) and Type B ROU assets. If a lessee does not present Type A ROU assets or Type B ROU assets as separate line items on the balance sheet, the lessee should disclose in the notes which line items in the balance sheet include Type A ROU assets and Type B ROU assets. A lessee is prohibited from presenting Type A ROU assets within the same line item as Type B ROU assets. All FASB members agreed for Type A leases and 5 FASB members agreed for Type B leases.

The IASB tentatively decided that a lessee should either present as a separate line item on the balance sheet or disclose ROU assets in the notes. If a lessee does not present ROU assets as a separate line item on the balance sheet, the lessee should present ROU assets within the same line item in which the corresponding underlying assets would be presented if they were owned, and disclose in the notes which line item in the balance sheet includes ROU assets. All IASB members agreed.

The FASB tentatively decided that a lessee should either present as separate line items on the balance sheet or disclose in the notes Type A lease liabilities and Type B lease liabilities. If a lessee does not present Type A lease liabilities or Type B lease liabilities as separate line items on the balance sheet, the lessee should disclose in the notes which line items in the balance sheet include Type A lease liabilities and Type B lease liabilities. A lessee is prohibited from presenting Type A lease liabilities within the same line item as Type B lease liabilities. Six FASB members agreed for Type A leases and all FASB members agreed for Type B leases.

The IASB tentatively decided that a lessee should either present as a separate line item on the balance sheet or disclose in the notes lease liabilities. If a lessee does not present lease liabilities as a separate line item on the balance sheet, the lessee should disclose in the notes which line item in the balance sheet includes lease liabilities. Fourteen IASB members agreed.

Cash flow presentation (Agenda Paper 3C/FASB Memo 288)

The boards tentatively decided to retain the guidance in the 2013 Exposure Draft requiring a lessor to classify cash receipts from leases within operating activities. All IASB members and all FASB members agreed.

The FASB tentatively decided to retain the guidance in the 2013 Exposure Draft requiring a lessee to classify:

a. cash payments for the principal portion of the lease liability arising from Type A leases within financing activities;
b. cash payments for the interest portion of the lease liability arising from Type A leases within operating activities;
c. cash payments arising from Type B leases within operating activities.

All FASB members agreed.

The IASB tentatively decided to retain the guidance in the 2013 Exposure Draft for Type A leases requiring a lessee to classify:

a. cash payments for the principal portion of the lease liability within financing activities;
b. cash payments for the interest portion of the lease liability in accordance with the requirements relating to interest paid in IAS 7 *Statement of Cash Flows*.

Eleven IASB members agreed.

The IASB also tentatively decided to require a lessee to disclose a single figure for lease cash outflows elsewhere in the financial statements. All IASB members agreed.

Next steps

The boards will continue their joint redeliberations of the May 2013 Exposure Draft at a future Board meeting.

Annual Improvements to IFRSs 2012–2014 Cycle (Agenda Paper 13)

The IASB discussed a summary of the feedback on the IASB's Exposure Draft *Annual Improvements to IFRSs 2012–2014 Cycle* published in December 2013. On the basis of the comments that the IASB received from respondents and the recommendations of the IFRS Interpretations Committee, the IASB tentatively decided to finalise all of the following proposed improvements:

a. Agenda Paper 13A: IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*—changes in methods of disposal.
All IASB members agreed with this amendment.
b. Agenda Paper 13B: IFRS 7 *Financial Instruments: Disclosures*—servicing contracts.
Fifteen IASB members agreed with this amendment.
c. Agenda Paper 13C: IFRS 7 *Financial Instruments: Disclosures*—applicability of the amendments to IFRS 7 to condensed interim financial statements.
All IASB members agreed with this amendment.
d. Agenda Paper 13D: IAS 19 *Employee Benefits*—discount rate: regional market issue.
All IASB members agreed with this amendment.
e. Agenda Paper 13E: IAS 34 *Interim Financial Reporting*—disclosure of information 'elsewhere in the interim financial report'.
All IASB members agreed with this amendment.

The IASB also tentatively decided that the effective date of the amendments should be 1 January 2016.

Next steps

The IASB will consider whether it has complied with its due process requirements at a future meeting. The IASB expects to finalise the *Annual Improvements to IFRSs 2012–2014 Cycle* in Q3 of 2014.

IFRS IC Update (Agenda Paper 12)

The IASB received an update from the May 2014 meeting of the IFRS Interpretations Committee. Details of this meeting were published in the IFRIC *Update*, which is available by clicking **here**.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Agenda Paper 12B)

Due process considerations

On 18 June, IASB members were asked whether they intended to dissent from the publication of the narrow-scope amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011)*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.

Four IASB members indicated that they intend to dissent from the publication of the amendments to IFRS 10 and IAS 28.

Next steps

The staff will commence the ballot process for the publication: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to IFRS 10 and IAS 28). The IASB plans to issue the final amendments in Q3 of 2014.

Clarification of Classification and Measurement of Share-based Payment Transactions (Proposed amendments to IFRS 2) (Agenda Paper 12C)

Due process considerations

On 18 June, the IASB met to review the due process steps taken so far and decide whether the staff should begin the balloting process of the narrow-scope amendment to IFRS 2 *Share-based Payment*: *Clarification of Classification and Measurement of Share based Payment Transactions* (Proposed amendments to IFRS 2).

The proposed amendment to IFRS 2 exposes together a collection of three amendments to IFRS 2, as follows:

- measurement of cash-settled share-based payment transactions that include a performance condition;
- modification of a share-based payment from cash-settled to equity settled; and
- share-based payments settled net of tax withholdings.

All IASB members confirmed that they are satisfied that the IASB has completed all of the necessary due process steps on the project to date and therefore instructed the staff to commence the balloting process for amendments. No IASB members indicated that they intend to dissent to the publication of the proposed amendments to IFRS 2.

In addition, the IASB tentatively decided that there should be a comment period for the Exposure Draft of at least 120 days. All IASB members agreed with this decision.

Next steps

The staff will commence the balloting process of the proposed amendments. The IASB plans to publish the Exposure Draft of the proposed amendments to IFRS 2 in Q3 of 2014.

Recognition of Deferred Tax Assets for Unrealised Losses (Proposed amendments to IAS 12) (Agenda Paper 12D)

On 18 June 2014, the IASB continued its discussion on the proposed amendments to IAS 12 *Income Taxes* to clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value.

Amending mandatory guidance, transition and other drafting issues

The IASB tentatively decided that the proposed amendments to IAS 12 should:

- clarify in an example (application guidance) how the guidance in paragraphs 20 and 26(d) of IAS 12 would apply when there is an unrealised loss on a fixed-rate debt instrument that pays interest each year and the principal is repaid on maturity when the holder also deducts the tax base of the asset.
- add a paragraph that clarifies that an entity assesses the utilisation of deductible temporary differences in combination with other deductible temporary differences. However, if tax law restricts the utilisation of deductible temporary differences so that they are deductible only against the taxable profits of a specific type, the entity still assesses utilisation of such deductible temporary differences in combination with other deductible temporary differences, but only of the appropriate type.
- clarify that an entity must assume it recovers an asset for more than its carrying amount if a recovery of this specific asset for more than its carrying amount is probable. The IASB noted that the amendment should reflect that there are many cases in which it is not probable that an entity will recover an asset for more than its carrying amount. In particular, this applies to many assets measured at fair value or assets that have been impaired. In addition, the IASB tentatively decided that the Basis for Conclusions on IAS 12 should go on to explain that it is not always probable that an entity will recover an asset for more than its carrying amount.
- clarify that an entity's estimate of probable future taxable profit against which deductible temporary differences are assessed for utilisation excludes tax deductions represented by those deductible temporary differences.
- illustrate the application of IAS 12 to debt instruments that are:
    - classified as available-for-sale financial assets (IAS 39 *Financial Instruments: Recognition and Measurement*); and
    - classified as financial assets that are measured at fair value through other comprehensive income (IFRS 9 *Financial Instruments*, as it is to be amended by the limited amendments to the classification and measurement requirements for financial assets).

In addition, the IASB tentatively decided that:

- for entities already applying IFRS, that retrospective application of the proposed amendments is limited so that transfers between retained earnings and other components of equity in the opening statement of the financial position should not be required in order to restate cumulative amounts previously recognised in profit or loss, other comprehensive income or directly in equity. Full

retrospective application should be permitted.
- it would not propose an exception to, or exemption from, the retrospective application of IFRS for the proposed amendments to IAS 12 for first-time adopters of IFRS.

All IASB members agreed with these decisions.

Due process considerations

The IASB reviewed the due process steps taken so far in developing the Exposure Draft *Recognition of Deferred Tax Assets for Unrealised Losses* (Proposed amendments to IAS 12).

All IASB members confirmed that they are satisfied that the IASB has completed all of the necessary due process steps on the project to date and therefore instructed the staff to commence the balloting process for the proposed amendments. No IASB members indicated that they intend to dissent from the publication of the proposed amendments to IAS 12.

In addition, the IASB tentatively decided that there should be a comment period for the Exposure Draft of at least 120 days. All IASB members agreed with this decision.

Next steps

The staff will commence the balloting process of the proposed amendments. The IASB plans to publish the Exposure Draft of the proposed amendments to IAS 12 after issuing the final requirements for impairment and the limited amendments to the classification and measurement requirements that are to be incorporated into IFRS 9.

Business Combinations under Common Control research project (Agenda paper 14)

The IASB discussed the scope of the research project on business combinations under common control and tentatively decided that the project should consider:

a. business combinations under common control that are currently excluded from the scope of IFRS 3 *Business Combinations*;
b. group restructurings; and
c. the need to clarify the description of business combinations under common control, including the meaning of common control.

The IASB also tentatively decided to give priority to considering transactions that involve third parties, for example those undertaken in preparation for an initial public offering. This is an area of particular concern for securities regulators.

All IASB members agreed.

Next steps

The IASB will discuss the accounting for transactions within the scope of the research project in Q3 of 2014. As the project progresses, the IASB will also consider further detailed questions related to the scope of the project.

Conceptual Framework (Agenda Paper 10)

On 19 June the IASB continued its redeliberations on the *Conceptual Framework*. The IASB discussed:

- profit or loss and other comprehensive income;
- economic resources and economic benefits;
- executory contracts;
- unit of account;
- communication aspects of presentation and disclosure;
- materiality; and
- distinction between liabilities and equity.

Profit or loss and other comprehensive income (OCI) (Agenda Paper 10B)

The IASB tentatively decided that the *Conceptual Framework* should:

a. require profit or loss as a total or subtotal. All IASB members agreed with this decision.
b. describe profit or loss as the primary source of information about an entity's performance for the period but emphasise that it is not the only source of such information. For example, items included in OCI also provide information about an entity's performance. Fourteen IASB members agreed with this decision.
c. describe the dual objectives for profit or loss as depicting the return that an entity has made on its economic resources during the period, and providing information that is helpful in assessing prospects for future cash flows. Fourteen IASB members agreed with this decision.
d. include a rebuttable presumption that all items of income and expense should be included in profit or loss unless the IASB concludes in a particular Standard that including an item of income and expense—or a component of such an item—in OCI would enhance the relevance of profit or loss as the primary source of information about an entity's performance for the period. Eleven IASB members agreed with this decision.
e. state that one example when the rebuttable presumption discussed in d above could be rebutted is when the IASB concludes that one measurement basis is appropriate for an asset or a liability in the statement of financial position and another measurement basis is appropriate for profit or loss. In such cases, the resulting difference would be reported in OCI. Thirteen IASB members agreed with this decision.
f. include a rebuttable presumption that all items of income and expense included in OCI should be recycled to profit or loss. Ten IASB members agreed with this decision.

The IASB directed the staff to clarify particular aspects of the proposed approach:

a. why profit or loss is the primary source of information about an entity's performance for the period; and
b. whether it is possible to find principles that identify some items of income and expense that can only be included in profit or loss rather than OCI, without providing a detailed list of such items.

Economic resources and economic benefits (Agenda Paper 10C)

The IASB tentatively decided that the *Conceptual Framework* should include:

a. guidance on economic resources, based on paragraph 3.5 of the Discussion Paper, but avoiding excessive detail; and
b. guidance on economic benefits, broadly consistent with the guidance in paragraph 3.6 of the Discussion Paper, and paragraph 35 of IFRS 15 *Revenue from Contracts with Customers*.

All IASB members agreed with these decisions.

The IASB also tentatively decided that the purpose of depreciation and amortisation is to depict consumption of the economic resource that constitutes an asset. Thirteen IASB members agreed with this decision.

Asset and liability definitions—executory contracts (Agenda Paper 10D)

The IASB tentatively decided that the *Conceptual Framework* should include concepts explaining the nature of the assets and liabilities in executory contracts. It should state that:

a. an enforceable executory contract contains a right and an obligation to exchange economic resources (or to pay or receive the difference in values between two economic resources if the contract will be settled net). The combined right and obligation would constitute a single asset or liability; and
b. if an entity enters into a forward contract to purchase a resource at a future date, the entity's asset is normally its right to buy the underlying resource, not the underlying resource itself. However, in some circumstances the terms of a forward contract to purchase a resource may give the purchaser control of that resource. In such circumstances, the purchaser should identify both an asset (the underlying resource that it already controls) and a liability (its obligation to pay for the resource). In these circumstances, the contract is not executory: the seller has substantively performed its obligations.

Thirteen IASB members agreed with these decisions.

The IASB tentatively decided that the *Conceptual Framework* should not address the measurement of executory contract assets and liabilities. Instead, the IASB should apply the general measurement concepts in the *Conceptual Framework* when specifying requirements for particular types of executory contract within the applicable Standard. All IASB members agreed with this decision.

The IASB noted that many existing Standards implicitly apply the same measurement bases for executory contract assets or liabilities as they specify for the assets or liabilities that arise when one of the parties subsequently performs its obligations. The result is that many executory contract assets and liabilities are measured at zero (and hence are not recognised) unless the contract is onerous.

Unit of account (Agenda Paper 10E)

The IASB tentatively decided that:

a. determining the unit of account is a Standards-level decision;
b. the *Conceptual Framework* should describe possible units of account; and
c. the *Conceptual Framework* should include a list of factors to consider when determining the unit of account but should not rank the priorities of the factors.

All IASB members agreed with these decisions.

Presentation and disclosure—communication aspects (Agenda Paper 10F)

The IASB tentatively decided:

a. to reconfirm the proposal in the Discussion Paper that each Standard should have a clear objective for disclosure and presentation requirements;
b. to reconfirm the proposal in the Discussion Paper that the IASB should develop disclosure and presentation requirements that promote effective communication of useful financial information;
c. to include in the *Conceptual Framework* those communication principles proposed in the Discussion Paper that are primarily directed at the IASB and discuss how they relate to the qualitative characteristics of useful financial information. Specifically, the IASB tentatively decided that disclosure requirements should seek to:
    i. promote the disclosure of useful information that is entity-specific;
    ii. result in disclosures that are clear, balanced and understandable;
    iii. avoid duplication of the same information in different parts of the financial statements; and
    iv. optimise comparability without compromising the usefulness of the information disclosed; and

d. not to include in the *Conceptual Framework* a discussion about financial statements in an electronic format.

All IASB members agreed with these decisions.

Presentation and disclosure—materiality (Agenda Paper 10G)

The IASB tentatively decided it would not amend the concept of materiality in paragraph QC11 of the existing *Conceptual Framework*, except to clarify that the term 'users' in that paragraph refers to the primary users mentioned in Chapter 1 of the *Conceptual Framework*. Fifteen IASB members agreed with this decision.

Distinction between liabilities and equity—Education session (Agenda Paper 10H)

The IASB held an education session on the distinction between liabilities and equity. No decisions were made.

Next steps

At its July meeting the IASB plans to discuss:

- measurement;
- the distinction between liabilities and equity;
- additional guidance on the definition of a liability;
- control;
- derecognition;
- whether to define elements for the statement of cash flows and the statement of changes in equity;
- business model;
- presentation and disclosure; and
- transition.

Discount rates research—review of existing requirements (Agenda Paper 15)

The IASB considered the staff's plan for the research project to review existing requirements for discount rates.

No decisions were made.

Next steps

The staff will work on the research in line with the proposed plan.

Work plan—projected targets as at 24 June 2014

Major IFRS				
Next major project milestone				
	2014 Q2	**2014 Q3**	**2014 Q4**	**2015 Q1**
IFRS 9: *Financial Instruments* (replacement of IAS 39)				
Classification and Measurement (Limited amendments)		Target IFRS		
Impairment		Target IFRS		
Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging [Comment period ends 17 October 2014]	Public consultation			
	2014 Q2	**2014 Q3**	**2014 Q4**	**2015 Q1**
Insurance Contracts	Redeliberations			
Leases	Redeliberations			
IFRS for SMEs: Comprehensive Review 2012–2014—see **project page**				

Implementation				
Next major project milestone				
Narrow-scope amendments	**2014 Q2**	**2014 Q3**	**2014 Q4**	**2015 Q1**
Annual Improvements 2012–2014		Target IFRS		
Bearer Plants (Proposed amendments to IAS 41)	Target IFRS			
Clarifications of Classification and Measurement of Share-based Payment Transactions (Proposed amendment to IFRS 2)			Target ED	
Classification of liabilities (Proposed amendment to IAS 1)			Target ED	
Disclosure Initiative				
Amendments to IAS 1 (Disclosure Initiative) [Comment period ends 23 July 2014]		Redeliberations		
Reconciliation of liabilities from financing activities			Target ED	
Elimination of gains or losses arising from transactions between an entity and its associate or joint venture (Proposed amendments to IAS 28)			Target ED	
Equity Method in Separate Financial Statements (Proposed amendments to IAS 27)		Target IFRS		
Fair Value Measurement: Unit of Account		Target ED		
Investment Entities: Applying the Consolidation Exception (Proposed amendments to IFRS 10 and IAS 28) [Comment period ends 15 September 2014]			Redeliberations	
Recognition of Deferred Tax Assets for Unrealised Losses (Proposed amendments to IAS 12)		Target ED		

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Proposed amendments to IFRS 10 and IAS 28)		Target IFRS		
Next major project milestone				
Post-implementation reviews	**2014 Q2**	**2014 Q3**	**2014 Q4**	**2015 Q1**
IFRS 3 *Business Combinations*		Deliberations		
Conceptual Framework				
Next major project milestone				
	2014 Q2	**2014 Q3**	**2014 Q4**	**2015 Q1**
Conceptual Framework			Target ED	
Research Projects				
Next major project milestone				
	2014 Q2	**2014 Q3**	**2014 Q4**	**2015 Q1**
Short- and medium-term projects:				
Business combinations under common control	Board discussion			
Disclosure Initiative				
General disclosure review	To be determined			
Materiality		Board discussion		
Principles of disclosure	Board discussion			
Discount rates	Board discussion			
Emissions trading scheme	To be determined			
Equity method of accounting	Board discussion			
Financial instruments with characteristics of equity	Pending developments in the *Conceptual Framework* project			
Foreign currency translation/inflation			Board discussion	
Liabilities—amendments to IAS 37	Pending developments in the *Conceptual Framework* project			
Rate-regulated Activities		Target DP		
Longer-term projects:				
Extractive activities/Intangible assets/R&D activities				
Income taxes				

Post-employment benefits (including pensions)				
Share-based payments				
The IASB is developing its research capabilities—for further information see the **Tommaso Padoa-Schloppa Memorial Lecture** and **IASB Research Forum page**				
Completed IFRS				
Major projects	**Issued date**	**Effective date**	**Year that PIR is expected to start***	
IFRS 9 *Financial Instruments*	November 2013	TBD (available for application)	TBC	
IFRS 14 *Regulatory Deferral Accounts*	January 2014	1 January 2016	TBC	
IFRS 15 *Revenue from Contracts with Customers*	May 2014	1 January 2017	TBC	
*A Post-implementation Review normally begins after the new requirements have been applied internationally for two years, which is generally about 30–36 months after the effective date.				
Narrow-scope amendments	**Issued date**	**Effective date**		
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	May 2014	1 January 2016		
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	May 2014	1 January 2016		
Annual Improvements 2010–2012 • IFRS 2 *Share-based Payment* ○ **Definition of vesting condition** • IFRS 3 *Business Combination* ○ **Accounting for contingent consideration in a business combination** • IFRS 8 *Operating Segments* ○ **Aggregation of operating segments** ○ **Reconciliation of the total of the reportable segments' assets to the entity's assets** • IFRS 13 *Fair Value Measurement* ○ **Short-term receivables and payables** • IAS 16 *Property, Plant and Equipment* ○ **Revaluation method—proportionate restatement of accumulated depreciation** • IAS 24 *Related Party Disclosures* ○ **Key management personnel services** • IAS 38 *Intangible Assets* ○ **Revaluation method—proportionate restatement of accumulated amortisation**	December 2013	1 July 2014		
Annual Improvements 2011–2013 • IFRS 1 *First-time Adoption of International Financial Reporting Standards* ○ **Meaning of 'effective IFRSs'** • IFRS 3 *Business Combinations* ○ **Scope exceptions for joint ventures**	December 2013	1 July 2014		

• IFRS 13 *Fair Value Measurement*
  ○ **Scope of paragraph 52 (portfolio exception)**
• IAS 40 *Investment Property*
  ○ **Clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property**			

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	November 2013	1 July 2014	
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	December 2011	1 January 2014	
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	October 2012	1 January 2014	
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	June 2013	1 January 2014	
Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)	May 2013	1 January 2014	
IFRS 9 *Financial Instruments*—Mandatory Effective Date of IFRS 9 and Transition Disclosures	December 2011	TBD (available for application)	
Interpretations	**Issued date**	**Effective date**	
IFRIC 21 *Levies*	May 2013	1 January 2014	

Agenda consultation

Next major project milestone

	2014	2015	2016
Three-yearly public consultation [Feedback Statement published 18 December 2012] [Next consultation scheduled 2015]		Initiate second three-yearly public consultation	

ISSN 1474-2675