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This document is provided as a convenience to observers at IFRS Foundation meetings, to assist them in following the discussion.

INFORMATION FOR OBSERVERS

IFRS Foundation Trustees Meeting, Tokyo, 10 February 2011

AGENDA PAPER 10

Education and Content Services Update

Purpose

The purpose of this agenda paper is:

- (i) to provide the Trustees with an update of the IFRS Foundation Content Services activities;
- (ii) to inform the Trustees about developments in Foundation's education plans; and
- (iii) to raise the possibility of developing a more integrated strategy to improve the Foundation's contribution to supporting the consistent and rigorous application of IFRSs.

Content Services update

Adoption Support

Supporting national adoption is a key objective of the Content Services team. We ensure IFRS content is provided and can become local law; respecting copyright, branding and issues of translation. At present we are working with a number of countries, including Russia, Bhutan, Belarus, Israel, Macau and Indonesia on the provision of content for national adoption.

Translation

In 2010 the Translation team worked on projects supporting IFRS, IFRS for SMEs and the XBRL Taxonomy. In total projects covered 33 different languages. A number of IFRS translations were published including Arabic, German, Spanish, French and Russian.

Product Sales

A new product, the IFRS Blue book was launched. This product, as requested by the Big Four firms and others, provides a printed consolidation of the standards currently in effect.

The first in the annual series, The 2010 Blue book, was launched in February 2010 and 5,500 copies were sold. The 2011 Blue Book, launched in early December 2010, sold 13,500 copies in the first four weeks after release.

In the calendar year 2011, we expect the Blue book to surpass the traditional Red Book (the consolidation of content issued) in total sales. However, indications are that sales of the Blue Book are largely replacing, not adding, to sales of the Red Book. We will continue to watch this carefully as we strive to increase total sales.

Electronic Products and Royalties

Electronic projects and licensing continue to be our key growth area. Revenue from eIFRS, our electronic subscription product, increased by 35% the year ending 2009. At the 2010 year end growth continued with expected year on year increase of 7%.

Growth in the total number of licensees, as well as expected growth in licensee sales, leaves us confident of surpassing the 2010 budget total of £1,814,000 in royalty income.

Education progress and plans

The education initiative reinforces the IFRS Foundation's goal of promoting the adoption and consistent application of IFRSs by arranging IFRS events (eg major IFRS conferences and Train the Trainer workshops) and by developing material (eg *A Guide through IFRSs* and comprehensive training material for the *IFRS for SMEs*). Its activities are designed to support the Trustees' duty to foster and review the development of educational programmes and materials that are consistent with the Foundation's objectives [IFRS Foundation Constitution section 15(j)].

The education initiative is self-funding. From 2007 to 2010 it contributed a surplus of on average about £200,000 per year to the IFRS Foundation. In 2010 the initiative's leading IFRS conference was held in London, Cape Town, Toronto and Tokyo. It was attended by about 1,700 people from about 70 countries. The staff is grateful to Paul Tellier, Noriaki Shimazaki and Jeff van Rooyen for participating in the programme in Toronto, Tokyo and Cape Town respectively.

The initiative's 'flagship' project in 2010 supports the adoption and implementation of the *IFRS for SMEs* by:

- developing PowerPoint presentations supporting 24 teaching hours (available in Arabic (soon), English, Portuguese, Spanish and Russian—translations funded by development agencies (eg World Bank and USAID) and others);
- publishing 22 training modules that explain the requirements, discuss the significant judgements, test knowledge with quizzes and test understanding with cases (being translated into Arabic, Spanish and Russian—translations funded by development agencies and others);
- facilitating regional three-day Train the Trainer workshops organised and funded by development agencies and others (+1,000 trainers and others from +60 countries).

The work of the education initiative is guided by its medium-term plan. In 2011 the initiative will successfully complete its first five-year plan (Plan 2007–2011). The staff are now developing the initiative's next medium-term plan (Plan 2012–2016) in consultation with the IFRS Foundation Education Advisory Group, IFRS Foundation and IASB senior staff and executive management, the IASB Education Committee, appropriate others (eg select World Bank staff), the Trustees' Education and Content Services Committee (Trustees' Ed Com) and the Trustees' Strategy Committee (Strategy Com) with the aim of presenting Plan 2012–2016 to the Trustees for consideration at their meeting in London in March 2011.

The 'flagship' project to be proposed in Plan 2012–2016 is to promote and support the use of Framework-based teaching of principle-based accounting standards (ie IFRSs and *IFRS for SMEs*). The project is designed to:

- improve the application of IFRS by contributing to the development of the skills and knowledge needed to interpret the standards and to make the judgements that are necessary to apply them.
- reduce the perceived need for industry-specific IFRS Application Guidance and for IFRS Interpretations.
- better prepare constituents to deal with the changes in new and improved standards and consequently reduce resistance to improvements in IFRSs.

This project is also a timely focus on direct training in a manner that will have long-term benefits for the global financial reporting community and that will directly assist and facilitate the broad use of IFRSs for global financial reporting.

Implementation support strategy

The implementation support strategy part of this agenda paper is designed to support the strategic review. Some of the IFRS Foundation implementation functions necessarily included in this 'big picture' are outside the scope of the Education and Content Services Committee.

One of the objectives of the IFRS Foundation is the development of a single set of high quality, understandable and enforceable global accounting standards. Achieving this objective is substantially dependent on the implementation of IFRSs. Consequently, the IFRS Foundation's strategic review identified that the Foundation has a vested interest in helping to ensure the consistent and rigorous application of IFRSs internationally.

To support the strategic review the staff has identified specific areas where the Foundation could broaden and deepen its application support role and in doing so improve the rigor and consistency with which IFRS is applied. This could be achieved by the Foundation extending the existing roles of the following teams:

- Education Initiative
- International Activities
- Content Services (including translations)
- XBRL
- Interpretations and Annual Improvements team

In particular the ability of the Foundation to provide relevant, timely and co-ordinated educational activities is seen to be perhaps the most relevant in factors influencing effective IFRS implementation. Education underpins all of the roles in the implementation cycle because it develops the appropriate knowledge, understanding and skills necessary to exercise judgement in applying IFRS principles.

As the roles are expanded, it will be important to ensure clarity of roles and responsibilities within the organisation to ensure a consistent approach and message is adopted and communicated to all stakeholders.

The opportunity to support the development of capacity to apply IFRS is particularly relevant over the next three years, when a large number of major economies, (not including US and Japan) are undertaking a process of IFRS adoption or convergence.

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