

STAFF PAPER

Insurance working group

For information only

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Insurance contracts IASB Work Plan as of 30 September 2011

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This paper has been prepared by the staff of the IFRS Foundation for discussion at a public meeting of the Insurance working group. The views expressed in this paper reflect the individual views of the author[s] and not those of the IASB or the IFRS Foundation. Comments on the application of IFRSs do not purport to set out acceptable or unacceptable application of IFRSs. The IASB reports its decisions made in public meetings in *IASB Update*.

This paper is reproduced from agenda paper 1B presented to the IFRS Advisory Council at their meeting on 10 and 11 October 2011.

Financial Crisis related projects	<i>2011 Q4</i>	<i>2012 H1</i>	<i>2012 H2</i>	<i>MoU</i>	<i>Joint</i>
IFRS 9: Financial instruments (replacement of IAS 39)					
Deferral of mandatory effective date of IFRS 9 [ED, comments due 21 October 2011]	Comment Period				
Impairment	Re-exposure or Review draft			✓	✓
Hedge accounting					
General hedge accounting	Review draft	Target IFRS		✓	
Macro hedge accounting	Publish ED				
Asset and liability offsetting (Amendments to IFRS 7 and IAS 32)	Target IFRS			✓	✓
Consolidation – Investment entities¹ [ED, comments due 5 January 2012]	Comment Period				✓

Memorandum of Understanding projects	<i>2011 Q4</i>	<i>2012 H1</i>	<i>2012 H2</i>	<i>MoU</i>	<i>Joint</i>
Leases		ED (Re-exposure)	Target IFRS	✓	✓
Revenue recognition	ED (Re-exposure)		Target IFRS	✓	✓

Other projects	<i>2011 Q4</i>	<i>2012 H1</i>	<i>2012 H2</i>	<i>MoU</i>	<i>Joint</i>
Insurance contracts		Review draft or revised ED			✓
Annual improvements 2009-2011 [ED, comments due 21 October 2011]	Comment period				
Annual improvements 2010-2012	ED				
Amendment to IFRS 1 (prospective application of IAS 20)	ED				
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine [Ratified September 2011]	IFRIC 20				

¹ An equivalent exposure draft from the FASB, *Investment Companies* will be published in the fourth quarter of 2011.

Agenda consultation

	2011 Q4	2012
Three-yearly public consultation [Comments due 30 November 2011]	Comment Period	

The work plan indicates the projected timing of the next milestone in the projects. Once deliberations are complete and before proceeding to the balloting of an exposure draft or IFRS (including amendments) the Board will consider whether re-exposure of the proposal is needed (such as a revised discussion paper or exposure draft). If the boards conclude that re-exposure is necessary the next due process publication will be the re-exposed document. The work plan as displayed assumes that re-exposure is not required and is therefore subject to change on completion of the relevant deliberations. The work plan will be updated once balloting has commenced to indicate the nature of the next due process document (exposure draft or IFRS) and its likely publication date.

Key

AD	Agenda Decision (to add the topic to the active agenda)	PS	IFRS Practice Statement
Ballot	See note below	RT	Roundtables
DP	Discussion Paper	RV	Request for Views
ED	Exposure Draft	TBD	To be determined
IFRS	International Financial Reporting Standard		

Ballot

The formal process of seeking the Board's approval to publish a due process document (discussion paper, exposure draft or IFRS). Once the Board has concluded its deliberations on a particular stage of a project the technical staff prepare the relevant due process document. Each Board member is required to vote, indicating whether they approve the document for publication. Balloting takes place outside of Board meetings. If a document receives enough support it is prepared for publication (print and online). Publication of the approved document normally takes place several weeks or more after the balloting process has been completed. That time is necessary for the discussion paper, exposure draft or IFRS to be formatted and any accompanying documents, such as a feedback statement, to be prepared.

Effective dates

The effective date of amendments and new standards is usually 6-18 months after publication date. In setting an effective date the Board considers all relevant factors. In appropriate circumstances, early adoption of new standards will be allowed.

The Board will consider staggering effective dates of new standards to help entities that apply IFRSs undertake an orderly transition to any new requirements.

Other projects

In November 2010 the IASB and FASB decided to amend the timetable for projects that are important but less urgent. The projects affected are **Financial Statement Presentation** (the replacement of IAS 1 and IAS 7), **Financial instruments with characteristics of equity, Emissions Trading Schemes, Liabilities** (IAS 37 amendments) and **Income Taxes**. The Board will review these projects as part of its agenda consultation process, at the beginning of 2012.

Conceptual Framework: The Board completed Phase A by publishing in September 2010 the *Objectives* and *Qualitative characteristics* chapters of the new Conceptual Framework. The IASB and the FASB will amend sections of their conceptual frameworks as they complete individual phases of the project. The boards have considered the comments they received on the exposure draft for Phase D *Reporting Entity*. In the light of those comments the boards have decided that they will need more time to finalise this chapter than they initially anticipated. The boards have not yet published discussion papers for Phase B *Elements* or Phase C *Measurement*. The IASB expects to recommence development of the Conceptual Framework at the beginning of 2012.

Research and other projects

In 2009 the Board published an exposure draft addressing **rate-regulated activities**. In September 2010 the Board concluded that it could not resolve the matter quickly and decided to develop an agenda proposal for consideration for its future agenda in 2011.

In October 2010 the staff presented to the Board a summary of comments received on a Discussion Paper on **extractive activities** prepared for it by national standard-setters from Australia, Canada, Norway and South Africa. The Board will use this feedback to help it assess whether to add a project to its agenda when it considers its future agenda in 2011.

Common control was added to the agenda in December 2007. The Board will consider whether to restart the project when it considers its future agenda in 2011.

In October 2009 the Board stopped work on **credit risk in liability measurement** as a free-standing work stream and decided not to reach a general conclusion on credit risk at this time but instead to incorporate the topic in the conceptual framework measurement project. The Board is also considering the input received on this topic when it considers the measurement of liabilities in other topics.

In April 2009 the Board considered comments received on proposed amendments to **IAS 33 Earnings per Share**. In the light of other priorities, the Board stopped work on the project. The Board will consider whether to restart the project when it considers its future agenda in 2011.

Work on the **government grants** project has been deferred pending progress in the revenue recognition and emissions trading schemes projects. The Board will consider whether to restart the project when it considers its future agenda in 2011.

In December 2007 the IASB decided not to add a project on **intangible assets** to its active agenda. National standard-setters are carrying out research for a possible future project. The Australian Accounting Standards Board has published a discussion paper *Initial Accounting for Internally Generated Intangible Assets*. The Board will consider whether to restart the project when it considers its future agenda in 2011.

Recently completed projects

Financial Statement Presentation. On 16 June 2011 the Board issued amendments to IAS 1 *Financial Statement Presentation*. These amendments improve how we present components of other comprehensive income. The FASB issued equivalent requirements on the same day. The new requirements are effective for annual periods beginning on or after 1 July 2012.

Post-employment benefits. On 16 June 2011 the Board issued amendments to IAS 19 *Employee Benefits*. The amendments will improve the recognition and disclosure requirements for defined benefit plans. The new requirements are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. This completed one of our narrower-scope MoU projects.

Fair value measurement. On 13 May 2011 the IASB issued IFRS 13 *Fair Value Measurement*. IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRSs or address how to present changes in fair value. The new requirements are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

Consolidations, Joint arrangements and Disclosure of Interests in Other Entities. On 13 May 2011 the IASB issued IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*. IFRS 10 provides a single consolidation model that identifies control as the basis for consolidation for all types of entities. IFRS 10 replaces IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation—Special Purpose Entities*. IFRS 11 *Joint Arrangements* establishes principles for the financial reporting by parties to a joint arrangement. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13—*Jointly Controlled Entities—Non-monetary Contributions by Venturers*. IFRS 12 combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. As a consequence of these new IFRSs, the IASB also issued amended and retitled IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. The new requirements are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

Deferred tax: recovery of underlying assets, an amendment to IAS 12 *Income Taxes* was issued in December 2010. The amendment provides a practical solution to the problem of determining whether assets measured using the fair value model in IAS 40 *Investment Property* are recovered through use or through sale. The amendment is effective for annual periods beginning on or after 1 July 2011, with earlier application permitted.

Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters, amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* was issued in December 2010. The amendments replace references to a fixed transition date with 'the date of transition to IFRSs' and set out the requirements for how an entity resumes presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. The amendments are effective from 1 July 2011, with earlier application permitted.

IFRS Practice Statement **Management Commentary** was issued in December 2010. The Practice Statement provides a broad, non-binding framework for the presentation of narrative reporting to accompany financial statements prepared in accordance with IFRSs.

Derecognition – Disclosures. Amendments to IFRS 7 *Financial Instruments: Disclosures* were issued in October 2010. Those amendments improve the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after 1 July 2011, with earlier application permitted.

Conceptual Framework Phase A: Objectives and qualitative characteristics. New chapters dealing with objectives and qualitative characteristics were issued on 28 September 2010, with immediate effect.