# AGENDA PAPER

IFRS Foundation Trustees meeting

| Brussels | 12 October 2012 | Agenda paper | 2 |
|---|---|---|---|

**Memorandum**

**To:** IFRS Foundation Trustees

**From:** Hans Hoogervorst

**Date:** 1 October 2012

**Re:** Report of the IASB Chair

## Overview

The IASB will be primarily occupied until well into 2013 with the completing of projects in the current agenda. This includes the four major projects being undertaken jointly with the FASB: Financial Instruments, Revenue Recognition, Leases, and Insurance Contracts.

In response to the comments received on the Agenda Consultation, and as agreed during the September 2012 Board meeting, we will also begin work on a Conceptual Framework project and, subject to discussion with the Advisory Council, plan to develop proposals for amending IAS 41 *Agriculture* (in relation to bearer biological assets) and start work on a discussion paper on Rate-regulated Activities. The IASB is also considering whether it should develop an interim standard on rate regulated activities, allowing first-time adopters to continue to apply their current practice until more detailed work on rate regulated activities has been completed.

Since the last report to the Trustees, the IASB has:

(a) published amendments to clarify the transition guidance in IFRS 10 *Consolidated Financial Statements*. The amendments also provide additional transition relief in IFRS 10, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities*;

(b) posted to its website a draft of the forthcoming Hedge Accounting requirements that will be added to IFRS 9 *Financial Instruments*; and

(c) begun its Post-Implementation Review of IFRS 8 *Operating Segments* by publishing for comment a Request for Information (RFI) on the effect of implementing the Standard.

Accompanying this report you will find a copy of the work plan as at 1 October 2012.

## Completing the MoU and convergence projects

### Overview

By the middle of 2013 we expect to issue an Exposure Draft or final Standard for each of the main projects on the work plan.

The IASB and the FASB (the boards) finalised joint deliberations in July 2012 on two projects: Classification and Measurement and Leases.

The boards also completed their joint deliberations on the impairment model that was being developed jointly. However, the FASB has decided to develop an alternative impairment model. While the model that the boards were developing and the model that the FASB now prefers are both based on the notion of expected losses, the FASB is now focussing on the recognition of **all** expected losses on loans on initial recognition. This results in significant losses being recognised on loans with high credit risk even if they are priced at market. The IASB continues to prefer a model that will result in lifetime losses only being recognised once an asset deteriorates and a true economic loss results. The IASB is therefore continuing to develop the model that was being jointly developed, using input obtained from the extensive outreach that the IASB has recently undertaken. The IASB is continuing to work towards its own Exposure Draft but is also monitoring developments on the FASB model.

The boards have reached different decisions on some important aspects of accounting for insurance contracts. These discussions have been complicated by the boards' very different starting points for insurance accounting. The IASB urgently needs to establish an insurance contracts accounting model. In September 2012 the IASB decided to re-expose its Insurance Contracts proposals, planned for the first half of 2013. The FASB will also be developing an Exposure Draft.

Redeliberations on Revenue Recognition are currently ongoing. The objective is to complete the substantive deliberations on Revenue Recognition by late 2012. Subject to completion of due process steps, it is anticipated that a final Standard would be issued in mid-2013.

In the next sections I provide more detail on the developments of these and other projects.

### Financial Instruments

#### IFRS 9—Classification and Measurement (limited amendments)

As I noted in July, the boards have made tentative decisions in this project on the following areas:

(a) to add application guidance to the contractual cash flow characteristics criteria and to maintain the IFRS 9 *Financial Instruments* definition of a held-to-collect business model;

(b) not to allow bifurcation for financial assets (consistent with IFRS 9); and

(c) to use an Other Comprehensive Income (OCI) remeasurement for eligible debt investments.

These decisions further align the IASB and FASB classification models and address some of the insurance community's concerns.

In July 2012, the boards concluded their joint deliberations on this project, subject to any issues that arise during drafting.

In July the IASB also tentatively decided that once IFRS 9 *Financial Instruments* is finalised, entities that newly apply it should be required to apply *all* phases of IFRS 9 (ie the revised Classification and Measurement requirements, Impairment, and Hedge Accounting requirements) at the same time. This decision was made to improve comparability for users of financial statements.[1] This would have meant an entity would need to be in a position to implement all phases before any of the new requirements in IFRS 9 could be applied.

In the light of these decisions, the IASB received further requests from stakeholders to make available as soon as possible the revised treatment of 'own credit' for financial liabilities. These amendments improve the usefulness of financial statements by removing volatility in profit or loss caused by changes in the fair value of an entity's liabilities that is attributable to changes in their own credit risk. Those changes would instead be recorded in OCI. In September 2012 the IASB tentatively decided to meet those requests so that, once IFRS 9 is finalised, an entity can elect to apply the 'own credit' requirements for financial liabilities before the rest of IFRS 9.

In September 2012 the IASB also determined that it had complied with all the required steps in the IASB's *Due Process Handbook*, and that it has performed enough optional due process steps in developing the proposed limited amendments to IFRS 9 to proceed to an Exposure Draft. The IASB also agreed that, given the limited scope of the proposed amendments to IFRS 9, additional time in excess of the normal 120-day period set out in the *Due Process Handbook* is not needed. The due process analysis has been provided to the DPOC separately[2].

The IASB expects to issue an Exposure Draft in the fourth quarter of 2012. This Exposure Draft will include the proposal regarding the acceleration of the 'own credit' requirements outlined above. The FASB will also issue an Exposure Draft on the classification and measurement of financial instruments. We expect that this will occur around the same time.

[1] However, those entities that, before the publication of the complete version of IFRS 9, had already adopted a previous version of IFRS 9 early would be able to continue to apply that version and not be required to apply the final requirements until the mandatory effective date of IFRS 9.

[2] See AP 6D *Financial Instruments: Classification and Measurement - Due process considerations for proposing limited amendments to IFRS 9* and AP 6E *Financial Instruments: Classification and Measurement - Exposure Draft comment period and permission to begin the balloting process* from the September 2012 IASB meeting.

The Exposure Drafts will reflect joint decisions made by the boards, although given the different stage of development of our projects (the IASB is revising IFRS 9 whereas the FASB is proposing completely new guidance), the documents will not be identical.

### Impairment

The objective of the Impairment project is to increase the usefulness of financial statements by improving the transparency of information about the credit quality of financial assets, primarily by reflecting the general pattern of deterioration or improvement of the credit quality of financial assets. The main focus is the estimation and reporting of expected losses in a timely manner.

The IASB has twice exposed impairment proposals for comment and, since July 2011, has been developing jointly with the FASB an expected loss model that is substantially different from the proposals previously exposed. That model would require expected losses to be recognised on all financial assets subject to impairment accounting. However, only a portion of the expected losses would be recognised initially, with full lifetime losses being recognised only when an asset has deteriorated by a meaningful amount.

In July 2012, after discussing the tentative impairment decisions with US stakeholders, the FASB decided to explore a different approach—one still based on expected losses, but where lifetime expected losses are recognised for all loans from initial recognition. Since July the FASB has addressed detailed aspects of this approach and will share its findings with the IASB at an education session shortly. The IASB continues to have an open line of communication with the FASB and will continue to discuss developments. However, the IASB does not support the recognition of lifetime expected losses when a financial asset is first recognised.

The IASB staff has undertaken extensive outreach on the model that was developed with the FASB and will provide feedback on that model to the IASB in October 2012. At that time the IASB staff will also make initial suggestions on any clarifications or modifications that may be needed to the model on the basis of the information that has been gathered.

The timing of the forthcoming Exposure Draft on Impairment will depend on any modifications that the IASB decides are necessary on the basis of the latest outreach, but at this time we are still aiming to publish an Exposure Draft in the fourth quarter of 2012. The IASB is aware of the importance of publishing an Exposure Draft as soon as possible but needs to balance that with ensuring that the document is of the best possible quality before it is published.

### Hedge Accounting

*General Hedge Accounting*

The objective of this project is to improve hedge accounting by more closely aligning it with a company's risk management activities, thereby improving financial reporting. The Hedge Accounting phase of the Financial Instruments project is not a joint project. However, the

FASB sought comments from its stakeholders on the IASB's Hedge Accounting Exposure Draft and will consider these in conjunction with feedback on its own proposals when it recommences its hedge accounting deliberations.

In September 2012 the IASB posted to its website a Review Draft of the forthcoming general hedge accounting requirements that will be added to IFRS 9. As previously discussed, the IASB is not seeking comments on this Review Draft. It is being made available to enable interested parties to familiarise themselves with the document and to provide the IASB with the opportunity to undertake an extended fatal flaw process. The Review Draft will remain on the website until early December 2012, after which the IASB intends to incorporate the Hedge Accounting requirements into IFRS 9 subject to confirming that all due process steps have been complied with.

*Accounting for macro hedges*

The IASB continues its public discussion of accounting for portfolio hedges. As I noted in July, the IASB decided that, because of the different approach to accounting for macro hedges and the complexity of the subject, it will first publish a Discussion Paper before moving on to an Exposure Draft. In the interim, the portfolio hedge accounting requirements in IAS 39 *Financial Instruments: Recognition and Measurement* would be retained, enabling entities using those requirements to continue to do so until any new model is put in place.

The IASB is aiming to publish the Discussion Paper in 2013.

## Leases

This is a joint project with the FASB. Lease obligations are widely considered to be a significant source of off-balance sheet financing. The objective of the Leases project is to improve financial reporting by lessors and lessees, in particular by recognising leases on the balance sheet.

The IASB's discussions on the Leases project are now complete. At the September 2012 Board meeting some narrow issues that were highlighted in the drafting process were discussed by the boards. No further joint discussions are expected.

During redeliberations on the Leases project the boards decided to significantly revise the proposals that were included in the original *Leases* Exposure Draft (issued 2010). The main areas of change include the lessee accounting model, specifically:

(a) how the lessee recognises lease expenses in its statement of comprehensive income for some leases; the lessor accounting model;

(b) the accounting for variable lease payments and renewal options; and

(c) the definition of a lease.

The revisions to the proposals were made in response to feedback on the Exposure Draft that was received from stakeholders and that reflected substantial issues that emerged during the comment period. For example, many stakeholders had significant concerns that the original proposed lease accounting model did not accurately portray the economics of all lease transactions.

The revised decisions result in fundamental changes to the original proposals for both lessee and lessor accounting. Consequently, in accordance with the *IASB Due Process Handbook*,[3] the IASB decided to seek stakeholders' views on these changes and to provide interested parties with the opportunity to comment on the revisions. Consequently, and as previously noted, in July 2011 the boards agreed unanimously to re-expose the revised proposals for a common Leases Standard.

Once the FASB has considered some FASB-only issues, primarily related to private companies, the boards aim to issue Exposure Drafts in the first quarter of 2013. During the comment period, the boards plan to conduct additional outreach with users of financial statements and with entities that undertake lease activities.

## Revenue Recognition

This is also a joint project with the FASB. The objective of this project is to clarify the principles for recognising revenue from contracts with customers.

As discussed in the July meeting, the comment period on the re-exposure draft ended in March 2012. Redeliberations on Revenue Recognition are currently on-going. Although limited questions were asked in the second Exposure Draft, it is challenging to restrict the redeliberations to a narrow set of issues. However, the objective of the boards is to complete the substantive deliberations by late 2012. During redeliberations, targeted outreach is still continuing. Subject to completion of due process steps, it is anticipated that a final Standard would be issued in mid-2013.

## Other technical projects

### Insurance Contracts

As previously mentioned, the objective of this project is to eliminate inconsistencies and weaknesses in existing practice by replacing IFRS 4 *Insurance Contracts*. While not a

[3] Paragraph 47 : *In considering the need for re-exposure, the IASB*

- *identifies substantial issues that emerged during the comment period on the exposure draft that it had not previously considered*
- *assesses the evidence that it has considered*
- *evaluates whether it has sufficiently understood the issues and actively sought the views of constituents*
- *considers whether the various viewpoints were aired in the exposure draft and adequately discussed and reviewed in the basis for conclusions on the exposure draft.*

Memorandum of Understanding project, the boards are working together on the Insurance Contracts project but have reached different decisions on several basic matters.

While both boards have agreed to measure the insurance liability using a current measure of the estimated cost to fulfil the obligation, the boards have reached different decisions on several aspects of the model, including the recognition of changes in estimate, the inclusion of a risk margin in the measurement of the liability and the treatment of acquisition costs.

*Insurance Working Group*

The Insurance Working Group met on 25 and 26 June 2012. The IASB staff reported the status of the Insurance Contracts project decisions to the working group and received input on the few remaining decisions for the project. The IASB staff also discussed the working groups' questions about convergence and the need to balance convergence, quality and timeliness. The IASB staff noted that while they are not in identical places, the IASB and the FASB have worked to minimise their differences.

The IASB staff will put the 'reporting back' papers[4] on the IASB website and invite the working group to provide comments on the drafting.

*Re-exposure versus review draft*

The redeliberations on the Insurance Contracts project are not yet complete. However, it was determined that enough decisions had been made to enable the IASB to assess whether re-exposure is required. The IASB also decided that it would be helpful to interested parties to discuss re-exposure as soon as possible. The staff noted that if the IASB had decided that re-exposure was not *required*, it still would have been necessary to reconfirm this on completion of the remaining deliberations.

Consequently, in September 2012 the IASB discussed whether to re-expose the proposals or to move forward with a Review Draft of the Insurance Contracts model, accompanied by targeted outreach. The IASB discussed the main changes to the proposals set out in the original *Insurance Contracts* Exposure Draft (July 2010)[5]. The IASB decided that to re-

[4] These papers include a working draft of implementing the IASB's tentative decisions on:

- cash flows (excluding cash flows from discretionary participation features and policyholder tax);
- discount rate;
- risk adjustment (excluding diversification benefits);
- disclosure;
- definition and scope;
- non-insurance components; and
- premium-allocation approach.

[5] These relate to the measurement of the insurance contracts that require payments linked to the performance of underlying items (ie participating contracts); the decision to present premiums, claims and expenses in the statement of comprehensive income; the offsetting of changes in estimate of cash flows in the residual margin (ie unlocking of the residual margin); the use of other comprehensive income to present changes in the liability arising from changes in the discount rate; and the transition proposals.

expose the Insurance Contract proposals, given the nature and significance of these changes, as well as the information about operations that it could obtain from re-exposure.

However, the IASB also recognised the need to finalise the Insurance Contracts project expeditiously, because currently IFRS does not provide guidance on accounting for insurance contracts. Consequently, the IASB decided that, while the Exposure Draft will set out the whole draft Standard feedback will be sought only on a limited range of questions.

The due process analysis has been provided to the DPOC separately.[6]

*Next steps*

The boards are continuing their deliberations. The IASB estimates that it will conclude the major technical discussions on the project in the second half of 2012 and aims to publish the new Exposure Draft in the first half of 2013.

### Investment Entities

The IASB has completed its planned deliberations on this project. The decisions introduce an exception that will require Investment Entities to measure their subsidiaries at fair value through profit or loss rather than consolidating them. On finalising the deliberations, in July 2012, the IASB considered whether re-exposure was necessary and IASB members agreed unanimously that re-exposure was not required. The IASB plans to issue the final Investment Entity requirements in the fourth quarter of 2012. The effective date will be 1 January 2014 with early application permitted.

The Investment Entity deliberations were mainly carried out jointly with the FASB. However, the FASB is addressing the accounting for investment entities more broadly than the IASB, whose focus was solely on an exemption from consolidation. Consequently, the boards' final requirements will be similar but not identical.

## Narrow-scope projects

### IFRS 10 and IAS 28—Sales or contributions of assets between an investor and its associate or joint venture

In September 2012 the IASB tentatively decided to amend the guidance in IAS 28 *Investments in Associates and Joint Ventures*, to add guidance to IFRS 10 *Consolidated Financial Statements* on the accounting for sales of assets between an investor and its associate or joint venture, and to specify whether the gain on such transactions should be recognised in full or in part. There is currently diversity in practice in this area of accounting arising from a long-standing conflict in IFRS requirements. The issue originated from a submission to the Interpretations Committee, which proposed the amendments to the IASB.

[6] See AP16D *Insurance Contracts – Review draft or re-exposure* and *AP16E Insurance Contracts – Due process summary for the insurance contracts project* from the September 2012 IASB Board meeting.

### IFRS 11—Acquisition of an interest in a joint operation

In September 2012 the IASB tentatively decided to add additional guidance to IFRS 11 on the accounting for an interest in a joint operation when that joint operation includes a business. There is currently diversity in practice in this area of accounting under IAS 31 *Interests in Joint Ventures* and there is concern that this will continue when IFRS 11 comes into effect in 2013. The issue originated from a submission to the Interpretations Committee, which proposed additional guidance to the IASB.

### IAS 28—Equity method of accounting: accounting for other net asset changes

In July 2012 the IASB tentatively decided to provide additional guidance on how an investor should account for its share of the changes in the net assets of an associate (or joint venture) that are not recognised in profit or loss or OCI of the associate (so-called 'other net asset changes'). There is currently diversity in practice in this area of accounting. The issue originated from a submission to the Interpretations Committee, which recommended that the IASB amend the Standard.

### IAS 8—Effective date and transition methods

In October 2010 the IASB published a Request for Views on when new financial reporting Standards should become effective and related transition methods. Issues were raised relating to the disclosures required in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* when there is a change in accounting policy.

In September 2012 the IASB addressed the most urgent issues that were raised at a Standard level in its IFRS 9 deliberations. As a result, the IASB staff plan to propose in the October 2012 IASB meeting that the IASB should address the remaining, broader IAS 8 issues as part of the Disclosure Chapter work in the Conceptual Framework project.

### Annual Improvements 2010–2012

The 2010–2012 Annual Improvements Exposure Draft was published in May 2012. A summary of the comment letters received is due to be presented to the Interpretations Committee in November 2012.

### Annual Improvements 2011–2013

The IASB has discussed five issues for inclusion in the Exposure Draft for the 2011–2013 cycle of Annual Improvements. The IASB expects to publish the 2011–2013 Exposure Draft in November 2012.

## Draft Interpretations

### Levies

On 31 May 2012 the Interpretations Committee published a draft Interpretation that proposed clarifications for the point at which a liability to pay certain levies should be recognised. A summary of the comment letters is due to be presented to the Interpretations Committee in November 2012.

### NCI Puts

On 31 May 2012 the Interpretations Committee published a draft Interpretation proposing clarifications to the accounting for puts over non-controlling interests. The comment period will end on 1 October 2012.

### Educational material: IFRS 13 Fair Value Measurement

The IASB staff, with the assistance of a valuation working group, are preparing educational material to support IFRS 13 *Fair Value Measurement*. This will be published in chapters as they are developed. It is planned that the first chapter of the educational material related to IFRS 13 will be published later this year (2012). That chapter will address the fair value measurement of unquoted equities.

## IFRS for SMEs

### Comprehensive Review 2012–2014

As discussed in the July meeting, when the IASB issued the *International Financial Reporting Standard for Small and Medium-sized Entities* (*IFRS for SMEs*) in July 2009, it stated that it would undertake an initial comprehensive review of the Standard. This review would allow the IASB to assess the first two years' experience in implementing the Standard and consider whether there is a need for any amendments. Consequently, in June 2012 the IASB issued a Request for Information seeking public views on whether there is a need to make any amendments to the *IFRS for SMEs*. The deadline for responses is 30 November 2012. The IASB expects to publish an Exposure Draft of the proposals in mid-2013, depending on the comments received and the possible amendments to the Standard.

### Guidance for micro-sized entities

In July 2012 it was decided that guidance should be developed to help micro-sized entities apply *IFRS for SMEs*. In the jurisdictions that have either adopted the *IFRS for SMEs* or plan to do so, the *IFRS for SMEs* is being used by very small companies with just a few employees. The IASB was therefore asked, and has agreed, to develop guidance suitable for micro-sized entities currently applying the *IFRS for SMEs* and also those considering doing so in the future. It will be a guide on applying the IFRS for SMEs and not a Standard.

The SME Implementation Group (SMEIG) will work with the staff in developing the guidance and will approve a final draft to be sent to the IASB for review.

The IASB staff expect to publish this guidance in late 2012 or early 2013.

## *Beyond the Memorandum of Understanding*

### Agenda Consultation

As previously discussed, in July 2011 the IASB launched its first formal public agenda consultation on its future work plan to seek input from all interested parties on our strategic direction and on the broad overall balance of the work plan. In response to the agenda consultation, the IASB agreed to give priority to certain projects, including work on the *Conceptual Framework*, Rate-regulated Activities, and amendments to IAS 41 *Agriculture*.

In September 2012 the IASB began discussion of these projects, and agreed to add a limited-scope project on IAS 41 for bearer biological assets (BBAs) to its technical agenda. The IASB decided that it is unlikely that a limited-scope project for BBAs would need a Discussion Paper because of the research already undertaken by a national standard-setter. Consequently, the IASB aims to publish an Exposure Draft in the first half of 2013.

The IASB also discussed the approach to the *Conceptual Framework* project, and agreed that it should focus on elements of financial statements, measurement, reporting entities, presentation and disclosure. The IASB agreed that the work should be towards a single Discussion Paper, rather than separate Discussion Papers for each area.

Finally, the IASB discussed a Standards-level project for Rate-regulated Activities. The IASB had previously undertaken a Rate-regulated Activities project in 2008–2010 and agreed that, on the basis of the divergent views and feedback received from the previous project, a Discussion Paper should first be published in advance of developing an IFRS or amending an existing IFRS. The IASB aims to issue a Discussion Paper in the fourth quarter of 2013. The IASB also considered publication of an interim Standard in response to stakeholders' requests for interim guidance until a more comprehensive solution is developed. This is especially relevant for jurisdictions that have significant rate-regulated activities and have already adopted IFRS, but where lack of guidance is creating diversity in practice.

The proposals for IAS 41 and Rate-regulated Activities will be discussed at the Advisory Council meeting in October 2012. The *Conceptual Framework* items are part of an existing project that has been previously discussed with the Advisory Council.

The IASB aims to publish a Feedback Statement in the fourth quarter of 2012 explaining how the IASB has responded to the agenda consultation.

**Post-implementation review (PIR)**

On 26 June 2012 the IASB published for comment a Request for Information (RFI) on the effect of implementing IFRS 8 *Operating Segments*. The RFI has a 120-day comment period. During the comment period the staff are co-ordinating outreach and evidence-gathering events with various stakeholder groups, including investor groups, national accounting standard-setters and other regional bodies and securities regulators. The next discussions of the PIR of IFRS 8 will be in early 2013 when the topic will be the analysis of comment letters received in response to the RFI.

The IASB expects to apply the experience gained from its first PIR to inform its planning for the PIR of IFRS 3 *Business Combinations* later in 2013.

# Work plan - projected targets as at 1 October 2012

| | 2012 Q3 | 2012 Q4 | 2013 Q1 | 2013 Q2 | MoU | Joint |
|---|---|---|---|---|---|---|
| | | | Next major project milestone | | | |
| **Agenda consultation** | | | | | | |
| **Three-yearly public consultation** | | Feedback Statement | Development of strategy | | | |
| **Financial Crisis related projects** | | | | | | |
| **IFRS 9 *Financial Instruments* (replacement of IAS 39)** | | | | | | |
| **- Classification and Measurement (**limited amendments**)** | | Target ED | | | ✓ | ✓ |
| **- Impairment** | | Target ED | | | ✓ | ✓ |
| **- General hedge accounting** [Review Draft posted until December 2012] | Review Draft | Target IFRS | | | ✓ | |
| **- Accounting for macro hedges** | | | Target DP | | ✓ | |
| **Memorandum of Understanding projects** | | | | | | |
| **Leases** | | | Target ED | | ✓ | ✓ |
| **Revenue Recognition** | Redeliberations | | Target IFRS | | ✓ | ✓ |
| **Other Projects** | | | | | | |
| **Insurance Contracts** | | | Target ED | | | ✓ |
| **Consolidation–Investment Entities** | | Target IFRS[1] | | | | ✓ |
| **Narrow Scope amendments** | | | | | | |
| **Annual improvements 2010-2012** | | | | Target Completion | | |
| **Annual improvements 2011-2013** | | Target ED | | | | |
| **Sales or contributions of assets between investor and its associate/ joint venture** (Proposed amendments to IFRS 10 and IAS 28) | | Target ED | | | | |
| **Equity method of accounting: accounting for other net asset changes** (Proposed amendments to IAS 28) | | Target ED | | | | |
| **Acquisition of an interest in a joint operation** (Proposed amendments to IFRS 11) | | Target ED | | | | |
| **IAS 8 – Effective date and transition methods** | | Target ED[2] | | | | |

[1] Amendment to IFRS 10 *Consolidated Financial Statements*

[2] At the October 2012 Board meeting the staff will recommend that publication of an ED be suspended pending the broader discussion of disclosure as part of the Conceptual Framework project.

| Interpretations | H1 2013 | H2 2013 |
|---|---|---|
| **Levies Charged by Public Authorities on Entities that Operate in a Specific Market** | Target Interpretation | |
| **Put Options Written on Non-controlling Interests** | | Target Interpretation |

| | 2012 Q3 | 2012 Q4 | 2013 Q1 | 2013 Q2 |
|---|---|---|---|---|
| **IFRS for SMEs** | | | | |
| **Comprehensive Review 2012-2014** [comment periods ends 30 November 2012] | See detailed timetable on project page | | | |
| **Post-implementation reviews** | | | | |
| **IFRS 8 *Operating Segments*** [comment period ends 16 November 2012] | Request for Information | | Consider comments received | |
| **IFRS 3 *Business Combinations*** | | | Initiate review | |

| Research Projects | H1 2013 | H2 2013 |
|---|---|---|
| **Rate-regulated Activities** | | Target DP |
| **Bearer biological assets** (limited-scope project to IAS 41) | Target ED | |
| **Conceptual Framework** (chapters addressing elements of financial statements, measurement, reporting entity, and presentation and disclosure) | Target DP | |