

STAFF PAPER

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Accounting Standards Advisory Forum

Project	ASAF
Paper topic	IASB Project Update
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Project Update

1. This paper provides a short update of current project activities.
2. Set out in Appendix to this paper is the IASB work plan, as at 25 November 2013. Details of the project status and current activities are available on our website.

Project	IASB staff technical work
IFRS 9 <i>Financial Instruments</i>	<p>Deliberations are continuing on the classification and measurement and impairment phases of this project following publications of the EDs.</p> <p>At the November Board meeting we focused on the impairment and classification and measurement.</p> <p>We plan to finalise both stages of the project in 2014.</p> <p>We do not currently plan to discuss this project with the ASAF prior to publication of the IFRS, unless specific input is required on individual topics.</p>
Accounting for Macro Hedging	<p>Our target is to publish a DP in the first quarter of next year and to discuss the feedback with ASAF at its meeting in September 2014.</p>
Insurance contracts	<p>Staff are currently analysing the comment letters received and we will discuss these with the Board. The initial</p>

Project	IASB staff technical work
	feedback was discussed at our last meeting.
Leases	<p>We discussed with the Board our initial comment letter summary in November, having discussed ASAF members' preliminary views at its September meeting.</p> <p>We will consider the matters arising from the comment letters and will ask for ASAF input on specific topics at its March 2014 meeting.</p> <p>We are, however, developing the redeliberation plan and will assess whether we should hold a virtual ASAF meeting (teleconference and videoconference) before the March 2014 meeting.</p>
Revenue Recognition	Having completed our deliberations of the comment letters the balloting process has started. We anticipate publishing the IFRS in the first quarter of next year.
Rate-regulated Activities	<p>We have completed all of the deliberations on the Interim IFRS and have started the balloting process. We expect to publish this early in the first quarter of 2014.</p> <p>As regards the DP we will have discussed, during the course of this meeting, whether a rate-setting mechanism that incorporates a true-up adjustment could result in the existence of assets and liabilities, as defined in the Conceptual Framework.</p>
Conceptual Framework	The DP is out for comment until 14 January 2014. We plan to continue to use ASAF as our consultation group during the development of the exposure draft.
Disclosure Initiative	<p>We have formed a new staff group to work on our <i>Disclosure Initiative</i> project bringing together the work of our technical team with the IFRS Taxonomy team.</p> <p>This allows us to assess <i>what</i> is disclosed and the <i>form</i> of disclosure (be that requiring a particular structure such as a table in the financial statement notes or facilitating</p>

Project	IASB staff technical work
	<p>electronic filing).</p> <p>The initiative has four main threads:</p> <ul style="list-style-type: none"> • Short term amendments to IAS 1 to address known difficulties in that Standard. We have completed the Board discussions and anticipate issuing amendments to IAS 1 in the first quarter of next year. • A review of <i>materiality</i>. We are working in collaboration with IOSCO and the IAASB to review how materiality is applied and if the IASB should make any changes to its guidance on materiality. That work is in the early stages, but we are planning to take the first paper for public discussion to the IASB in Q1 next year. • Replacement of IAS 1, IAS 7 and IAS 8 with a single IFRS. This is in the research stage. We plan to take papers to the IASB periodically over the next year so that we are able to move quickly as the Conceptual Framework project draws to completion. • A review of existing standards. This is a medium term project. It is possible that work on areas such as materiality will lead to some shorter term proposals to amend existing Standards, but we think it is important to assess disclosure requirements in the context of the related recognition and measurement requirements. <p>The disclosure initiative also has a thought-leadership role. In February, at the request of the IFRS Advisory Council, our team will lead a discussion on the future of financial reporting, including how IFRS financial reports might be affected by developments in integrated reporting and increased calls for electronic filing of</p>

Project	IASB staff technical work
	financial information.
Research Projects	<p>We have made a cautious start to the research programme. The success of the programme depends at least partly on the contributions of national standard-setters. We have stressed the importance of having IASB staff in place to manage each project so that the work of a NSS will fit into project plan.</p> <p>We have started work internally on <i>business combinations under common control (BCUCC)</i>, building on discussions developed by the Emerging Economies Group, NSS papers and our own outreach. The IASB has already discussed one paper. We plan to bring another paper to the IASB in January. We are assessing whether we can scope the project to address spin-offs as a shorter term imperative.</p> <p>The staff have developed a first draft of a background paper on <i>discount rates</i> which we anticipate taking to the January IASB meeting. That paper will set out areas of interest that we will use to invite work from NSS.</p> <p>Within the <i>disclosure initiative</i> we are working with a NSS on a couple of research topics, including cash flows versus accruals. There are other areas that could benefit from NSS input, including a review of the definitions and requirements for changes in accounting policies and estimates.</p> <p>There are several projects that warrant work because of the high proportion of interpretations requests we receive on those topics—the <i>equity method, post-employment benefits</i> and <i>share-based payments</i>. We anticipate taking papers to the IASB in the first half of next year on the equity method and are currently looking to add staff to the other two projects.</p> <p>We also have staff working on <i>financial instruments</i></p>

Project	IASB staff technical work
	<p><i>with the characteristics of equity</i> as part of the Conceptual Framework project.</p> <p>We are also aware of a need to bring more on <i>foreign currency</i> and <i>high- and hyper-inflation</i> to the Board. Some work has been completed by NSS, but we need to get IASB member reaction to it.</p>
Post implementation reviews	<p>At this meeting we will have discussed with ASAF the areas where the staff considered that the request for information on IFRS 3 <i>Business Combinations</i> should focus. We will also be seeking input from members on regional considerations at the June 2014 meeting.</p>

Appendix Work plan – as at 5 November 2013

Major IFRSs

Next major project milestone

	2013	2014	2014	2014
	Q4	Q1	Q2	Q3
IFRS 9 <i>Financial Instruments</i> (replacement of IAS 39)				
Classification and Measurement (Limited Amendments)		Target IFRS		
Impairment		Target IFRS		
Hedge Accounting	Target IFRS			
Accounting for Macro Hedging		Target DP		
Insurance Contracts		Redeliberations		
Leases	Redeliberations			
Rate-regulated Activities				
Interim IFRS		Target IFRS		
Rate Regulation			Target DP	
Revenue Recognition		Target IFRS		

Implementation

Next major project milestone

	2013	2014	2014	2015
	Q4	Q1	Q2	Q3
Narrow-scope amendments				
Acquisition of an Interest in a Joint Operation (Proposed amendments to IFRS 11)		Target IFRS		
Actuarial Assumptions: Discount Rate (Proposed amendments to IAS 19)	TBD			
Annual Improvements 2010-2012	Target IFRS			
Annual Improvements 2011-2013	Target IFRS			
Annual Improvements 2012-2014	Target ED			
Bearer Plants (Proposed amendments to IAS 41)		Redeliberations		
Clarification of Acceptable Methods of Depreciation and Amortisation (Proposed amendments to IAS 16 and IAS 38)		Target IFRS		
Disclosure Initiative				
Amendments to IAS 1 (Disclosure Initiative)		Target ED		
Elimination of gains arising from “downstream” transactions (Proposed amendments to IAS 28)		Target ED		
Equity Method: Share of Other Net Asset Changes (Proposed amendments to IAS 28)		Target IFRS		
Fair Value Measurement: Unit of Account		Target ED		
Put Options Written on Non-controlling interests (Proposed amendments to IAS 32)		Target ED		
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		Target IFRS		

(Proposed amendments to IFRS 10 and IAS 28)				
Separate Financial Statements (Equity Method) (Proposed amendments to IAS 27)	Target ED			

Next major project milestone

	2013 Q4	2014 Q1	2014 Q2	2015 Q3
Post-implementation Reviews				
IFRS 3 <i>Business Combinations</i>		Publish Request for Information		

Conceptual Framework

Next major project milestone

	2013 Q4	2014 Q1	2014 Q2	2015 Q3
Conceptual Framework (chapters addressing elements of financial statements, measurements, reporting entity and presentation and disclosure) (comment period ends 14 January 2014)		Redeliberations		

Research Projects

Research projects on which preliminary work has commenced				
Business combinations under common control				
Disclosure initiative				
Discount rates				
Emissions trading scheme				
Extractive activities				
Financial instruments with characteristics of equity				
Intangible assets				

Income taxes			
Post-employment benefits (including pensions)			
Share-based payments			
Equity method of accounting			
Financial reporting in high inflationary economies			
Foreign currency translation			
Liabilities—amendments to IAS 37			

The IASB is developing its research capabilities – for further information see the Tommaso Padoa-Schioppa Memorial Lecture and IASB Research Forum page

Completed IFRSs

Major projects	Issued date	Effective date	Year that PiR is expected to start*
Amendments to IAS 19 <i>Employee Benefits</i>	June 2011	1 January 2013	2015
IFRS 10 <i>Consolidated Financial Statements</i>	May 2011	1 January 2013	2016
IFRS 11 <i>Joint Arrangements</i>	May 2011	1 January 2013	2016
IFRS 12 <i>Disclosure of Interests in Other Entities</i>	May 2011	1 January 2013	2016
IFRS 13 <i>Fair Value Measurement</i>	May 2011	1 January 2013	2015

*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	
<i>Annual Improvements 2009-2011</i> <ul style="list-style-type: none"> • IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>: <ul style="list-style-type: none"> ○ Repeated application of IFRS 1 ○ Borrowing costs • IAS 1 <i>Presentation of Financial Statements</i>- Clarification of the 	May 2012	1 January 2013	

<ul style="list-style-type: none"> requirements for comparative information • IAS 16 <i>Property, Plant and Equipment</i>– Classification of servicing equipment • IAS 32 <i>Financial Instruments: Presentation</i>–Tax effect of distribution to holders of equity instruments • IAS 34 <i>Interim Financial Reporting</i>–Interim financial reporting and segment information for total assets and liabilities 			
Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11, and IFRS 12)	June 2012	1 January 2013	
Disclosures-Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	December 2011	1 January 2013	
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	October 2011	1 January 2013	
IFRS 1 First-time Adoption of International Financial Reporting Standards–Government Loans	March 2012	1 January 2013	
IAS 32 Financial Instruments: Presentation–Offsetting Financial Assets and Financial Liabilities	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	
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)			
Interpretations	Issued date	Effective date	
IFRIC 21 Levies	May 2013	1 January 2014	