AGENDA PAPER

IFRS Foundation Trustees meeting – Due Process and Oversight Committee

Johannesburg 11 July 2013 Agenda paper 3B

Memorandum

To: Scott Evans, Chairman – Due Process Oversight Committee

From: Sue Lloyd/Alan Teixeira

Date: 28 June 2013

Re: Technical Projects - update

Overview

The IASB has continued to be occupied with the completion of the four major projects being undertaken jointly with the FASB: Financial Instruments, Revenue Recognition, Leases and Insurance Contracts.

Since the last meeting in April we have published the exposure drafts on Leases and Insurance Contracts, and finalised redeliberations on Revenue Recognition and Hedge Accounting. Final IFRSs will be published in the next few months for Revenue Recognition and Hedge Accounting.

The IASB has also published the exposure draft for the interim solution for Rate-regulated Activities and the Feedback Statement on the Disclosure Forum. The IASB has also finalised its first post implementation review of IFRS 8 *Segment Reporting* and will shortly publish the report.

In response to the comments received on the Agenda Consultation for more support to be provided for existing IFRS, the Interpretations Committee has also been very active.

Due Process

A list of Board papers on due process issues provided to the DPOC since the April 2013 meeting is attached in Appendix A to this paper. As previously requested by the DPOC, a list of papers that were posted after the IASB paper posting deadline is attached in Appendix B to this paper.

Below is a summary of the status of the projects currently under way with a focus on due process considerations.

Financial Instruments

IFRS 9—Classification and Measurement (limited amendments)

As discussed in previous meetings, in November 2012 the IASB published an Exposure Draft *Classification and Measurement: Limited Amendments to IFRS 9* (*Proposed amendments to IFRS 9 (2010)*). This Exposure Draft proposed limited amendments to the classification and measurement requirements for financial instruments already contained in IFRS 9 *Financial Instruments*. The main changes proposed in the ED were to clarify the notion of principal and interest, to propose the introduction of a fair value through OCI category for simple debt investments and to propose clarifications to the concept of 'holding to collect' contractual cash flows.

The FASB issued an Exposure Draft on the classification and measurement of financial instruments in February 2013. While the Exposure Drafts reflect joint decisions made by the boards, 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 are not identical.

The comment period for the IASB's ED ended on 28 March 2013 whereas the FASB's comment period ended in late May 2013. At the May and June joint meetings, the staff presented a summary of the feedback received. The proposals will be jointly redeliberated with the FASB with a view to completing deliberations on this project in 2013.

The following points provide a high-level summary of the feedback received on the IASB's ED.

- Nearly all of the IASB's stakeholders continue to support the basic principles in IFRS 9[1].
- All who commented on convergence with the FASB generally supported it. However, some thought convergence only at the principle level (and not at a detailed level) is unhelpful and potentially confusing for users of financial statements.
- Many noted that reducing complexity in the accounting for financial instruments was one of the original objectives in replacing IAS 39. Some questioned whether the proposed changes were consistent with this objective.
- The majority of respondents supported the introduction of a fair value through OCI category for simple debt investments. However, some who supported the category proposed alternative approaches to determine which instruments should qualify for

[1] One of these principles is that financial assets should only be measured at amortised cost if their cash flows are solely principal and interest. With the exception of a few respondents from particular jurisdictions who continue to favour bifurcation for financial assets, most of our stakeholders continue to support this principle.

this classification.

- While most respondents supported the objective of clarifying the principle of 'solely principal and interest' many suggestions were made to further simplify the principle. In addition, many respondents requested that further changes be made, particularly to address financial instruments with interest rates subject to regulation.

Impairment

This is probably the most important part of our project to overhaul the accounting for financial instruments. 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 subject to impairment[2], and improving the timeliness of recognition of expected credit losses.

In March 2013 the IASB published an Exposure Draft *Financial Instruments: Expected Credit Losses.* It is open for comment until 5 July 2013. The proposals in that document are based on the model that the IASB had been developing jointly with the FASB. However, the model was simplified to address comments received from interested parties prior to publishing the ED. Importantly, the proposals would result in expected credit losses always being recognised (from when a financial instrument is first purchased or originated) with full lifetime expected credit losses being recognised when a financial instrument suffers a significant deterioration in credit quality.

As discussed at previous meetings, in July 2012 the FASB decided to explore a different approach—one still based on expected credit losses, but in which full (all) lifetime expected credit losses are recognised for all loans from initial recognition. The IASB does not support the recognition of full lifetime expected credit losses when a loan is first recognised, preferring a model that will result in lifetime expected credit losses only being recognised once a loan deteriorates and an economic loss results.

In late December 2012 the FASB published their Exposure Draft on impairment. The FASB's comment period ended on 31 May 2012 (the FASB extended the comment period from the original date of 30 April 2013 to allow respondents additional time to consider both the IASB and FASB proposals). This provided a 12 week overlap period between the IASB and FASB's Exposure Drafts.

Both the IASB and the FASB presented their impairment proposals at the Accounting Standards Advisory Forum (ASAF) meeting held in April 2013. The IASB have an ad-hoc meeting scheduled with ASAF during July 2013 to obtain further feedback from the ASAF members on the impairment proposals.

[2] We refer to all financial assets subject to impairment as "loans" in the Impairment section of this paper for ease of discussion.

During the comment period the IASB is also undertaking field work. The objective of the field work is to determine how the IASB proposals on expected credit losses respond to changing economic circumstances over time. It is also designed to provide an understanding of how the proposals may be implemented and to provide some information about the directional impact on allowance balances. The field work is detailed and is currently being undertaken worldwide with 14 participants from the major regions across the world. The participants include banks, with various levels of sophistication of products and credit risk management, and some corporations.

Despite the difficulties the two boards have experienced trying to find a common approach and continued differences in opinion being apparent in the feedback we have received on our recent exposure drafts, our respective stakeholders still have a strong desire for us to achieve a common solution. The Financial Stability Board and the G20 view a converged solution as important. The IASB continues to have an open line of communication with the FASB and joint outreach is being undertaken. In July the boards will meet in person to have an initial discussion on potential approaches to align their impairment proposals taking into account information received during the comment periods. The aim is to finalise the development of the impairment requirements in 2013.

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. As previously discussed, 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.

As mentioned at previous meetings, in September 2012 the IASB posted a Review Draft on its website of the forthcoming hedge accounting requirements to be added to IFRS 9. This was part of an extended fatal flaw process.

At the January 2013 IASB meeting the key issues raised on the Review Draft were discussed and the Board tentatively agreed to make some changes and clarifications to the document based on the feedback received.

At the April 2013 IASB meeting, the IASB finalised its deliberations on hedge accounting and granted the staff permission to draft the final hedge accounting requirements for inclusion in IFRS 9. Pending the outcome of the project on accounting for macro hedges, the IASB also decided at that meeting to provide entities with a choice between applying the new hedge accounting requirements of IFRS 9[3] or continuing to apply the hedge accounting requirements in IAS 39. This will allow entities to wait for the final picture related to accounting for macro hedging activities before applying the new hedge accounting model in

[3] In conjunction with the interest rate portfolio fair value hedge accounting model in IAS 39.

IFRS 9.

Accounting for Macro Hedging

The IASB continues its public discussion of accounting for portfolio hedges. As noted previously, the IASB will first publish a Discussion Paper before moving on to an Exposure Draft. Publication of the Discussion Paper is planned to occur during 2013.

Leases

The objective of the Leases project is to improve the quality and comparability of financial reporting by providing greater transparency about leverage, the assets an entity uses in its operations and the risks to which it is exposed from entering into lease transactions.

This is a joint project with the FASB. In May 2013, the boards published a joint revised Exposure Draft on leases, which is open for comment until 13 September 2013. Under the proposals, a lessee would report assets and liabilities for all leases of more than 12 months on its balance sheet. The recognition of lease-related expenses in the lessee's income statement for most real estate leases would be different from that for most other leases to better reflect the differing economics of those leases. The Exposure Draft also proposes some changes to the accounting applied by many equipment and vehicle lessors, which would better reflect how such lessors price their leases.

During the comment period, the boards plan to conduct joint outreach with the FASB, particularly with users of financial statements and with entities that undertake a significant amount of leasing activities. The boards also plan to hold public round table meetings in September and October 2013, after the end of the comment period.

Revenue Recognition

The objective of this project is to improve financial reporting by creating a common revenue recognition Standard, that clarifies principles that can be applied consistently across various transactions, industries and capital markets. The project applies to all contracts with customers (except leases, financial instruments and insurance contracts).

This is also a joint project with the FASB. The boards have completed their redeliberations of the 2011 Exposure Draft. At the May 2013 meeting, the IASB confirmed that all due process steps have been complied with, and gave the staff permission to ballot the final Standard. In the coming weeks, the FASB will complete its own due process analysis and will also be asked to provide permission for the FASB staff to start their ballot process. The boards will ballot and issue the final Standard at the same time in the second half of 2013.

Due to the importance of revenue and the broad scope of the new Standard, as previously discussed with the DPOC, the IASB and FASB plan to form an implementation group with a limited life to support preparers as they transition to the new Standard. This group will provide a public forum for discussion of implementation issues. Importantly, we do not envisage the group providing authoritative guidance.

A detailed paper on the Revenue Recognition project (paper 3C) will be discussed at this DPOC meeting.

Insurance Contracts

The objective of this project is to eliminate inconsistencies and weaknesses in existing practice by replacing IFRS 4 *Insurance Contracts* and to provide a single principle-based Standard to account for all insurance contracts.

While the boards have worked together on the Insurance Contracts project, different decisions have been reached on several basic matters. For example, while both boards have agreed to measure the insurance liability using a current measure of the estimated costs to fulfil the obligation, the boards have reached different decisions on several aspects of the model, including recognition of changes in estimates, the inclusion of a risk margin in the measurement of the liability and the treatment of acquisition costs.

As noted at previous meetings, in 2012 the IASB decided that, on the basis of the feedback received on the original Exposure Draft and the subsequent decisions made during redeliberations, it would re-expose its proposals. The IASB published the revised Exposure Draft in late June 2013.

Due to the importance of completing this project, and in view of the extensive debate the IASB has undertaken over the years, the IASB decided that feedback will only be sought on five key matters on which there have been significant changes to the proposals in the 2010 Exposure Draft. In addition, the IASB will seek feedback on the extent to which the benefits of its revised proposals justify the additional complexity those proposals introduce, and whether the drafting of the Standard is clear. The IASB hopes that targeting its revised Exposure Draft in this way will avoid further undue delay in finalising a much-needed Standard for insurance contracts accounting.

The FASB published their first exposure draft on Insurance Contracts in late June 2013. Both the IASB and FASBs' exposure drafts have a 120 day comment period with comments due in late October 2013. The boards plan to discuss the feedback on their exposure drafts at a joint meeting and will then consider the extent to which aspects of those proposals should be jointly redeliberated.

The Conceptual Framework

As previously discussed, restarting work on the Conceptual Framework project received overwhelming support from respondents to the IASB's 2011 Agenda Consultation. Consequently, the IASB agreed to restart this project in September 2012.

The IASB uses the *Conceptual Framework* to develop its Standards. This Conceptual

Framework project will build on the work previously done before the project was paused in 2010. As part of that work, the IASB completed chapters on the objective of financial reporting and qualitative characteristics of useful information.

The IASB has spent an extensive amount of board time during 2013 discussing the Conceptual Framework. In addition, the IASB is obtaining input on this project from the newly formed ASAF. The inaugural ASAF meeting held in April 2013 was devoted mainly to discussing this project.

The Discussion Paper will be published in July 2013. The comment period will be 180 days. This period is consistent with the Due Process Handbook which says a comment period of at least 120 days is allowed for discussion papers and reflects the importance of this topic and also the number of items that will be open for comment in the second half of 2013. During the comment period extensive outreach will be undertaken including holding public roundtables.

Rate-regulated Activities

Rate regulation is a restriction in the setting of prices that can be charged to customers for services or products. It is generally imposed by regulatory bodies or governments, when an entity has a monopoly or a dominant market position that gives it excessive market power. Such regulation is also used to guarantee a return to an entity, usually to ensure the continued supply of an important commodity such as electricity. Rate regulation is widespread, comes in many forms and significantly affects the economic environment of rate-regulated entities. Some national GAAP provides specific guidance on this matter, but there is no equivalent guidance in IFRSs.

The first objective of the Rate-regulated Activities research project is to develop a Discussion Paper to consider whether rate regulation creates assets or liabilities in addition to those already recognised in accordance with IFRS for non-rate-regulated activities. If so, the project will also consider how such assets and liabilities should be accounted for and whether (or how) IFRSs should be amended. Given the specialist nature of the subject and the need for industry expertise, a formal consultative group was formed for this project in April 2013. The IASB aims to issue the Discussion Paper in the second half of 2013.

In addition, in December 2012 the IASB agreed to develop an Exposure Draft for an interim Standard designed to assist those adopting IFRS prior to completion of the broader project. The IASB has made it clear that the interim Standard for Rate-regulated Activities must not delay the completion of the main project nor prejudge the outcome of that project. The Exposure Draft was issued in April 2013.

Narrow-scope projects

Recently published Amendments

IAS 39—Novation of Derivatives and Continuation of Hedge Accounting

In June 2013 the IASB published narrow scope amendments to IAS 39 to allow the continuation of hedge accounting when a derivative is novated to effect clearing with a central counterparty as a result of laws or regulations. Similar relief will also be included in the forthcoming hedge accounting chapter of IFRS 9. The amendment is in response to recent or pending legislative changes that require novation of some derivative contracts to a central counterparty. These legislative changes are being introduced in many jurisdictions in response to a G20 commitment to improve transparency and regulatory oversight of over-the-counter derivatives in an internationally consistent and non-discriminatory way.

IAS 36—Recoverable Amount Disclosures for Non-Financial Assets

In May 2013 amendments were made to IAS 36 *Impairment of Assets* to correct a drafting error in the consequential amendments arising from IFRS 13 *Fair Value Measurement* by clarifying when disclosure of information about the recoverable amount of impaired assets is required.[4]

Recently published Exposure Drafts

An Exposure Draft proposing narrow-scope amendments to IAS 19 is currently subject to public consultation. This Exposure Draft (*Defined Benefit Plans: Employee Contributions*) was published in March, and the comment period ends on 25 July.

New narrow-scope projects

IAS 41—Bearer Plants

As discussed at the last meeting, in response to the 2011 Agenda Consultation, the IASB agreed to add a limited scope project to amend IAS 41 *Agriculture* (in relation to bearer plants) to its agenda. The IASB decided that because of the research that had already been undertaken by a national standard-setter, a Discussion Paper would not be necessary for this project.

IAS 41 requires all biological assets that are related to agricultural activity to be measured at fair value less costs to sell based on the principle that their biological transformation is best reflected by fair value measurement. However, there is a class of biological assets, known as bearer plants, that, once mature, are held by an entity solely to grow produce over their productive life. Bearer plants include grape vines and oil palms. Mature bearer plants no longer undergo significant biological transformation and their operation is similar to that of manufacturing. The IASB published an Exposure Draft on 25 June 2013 which proposes to

[4] The narrower scope was correctly reflected in the Basis for Conclusions to IAS 36.

account for bearer plants like property, plant and equipment in accordance with the requirements in IAS 16 *Property, Plant and Equipment*, rather than in accordance with IAS 41.

IAS 27—Separate Financial Statements (Equity Method)

When an entity prepares separate financial statements IFRS allows a choice of measuring investments in subsidiaries, joint ventures and associates at cost or at fair value. Corporate law in some countries requires listed entities to present separate financial statements using the equity method of accounting to measure these investments. Consequently, entities in those countries must currently prepare two sets of financial statements.

Feedback received from the 2011 Agenda Consultation indicated there was strong support from stakeholders in those countries affected, particularly from Latin America, for us to address this issue.

As a result the IASB agreed to consider a proposal to amend IAS 27 *Separate Financial Statements* to allow the use of the equity method of accounting. We aim to publish an Exposure Draft in 2013.

IAS 19—Actuarial Assumptions: Discount Rate

The Interpretations Committee was asked to clarify whether corporate bonds with a rating lower than 'AA' can be considered to be high-quality corporate (HQC) bonds for the purposes of calculating the defined benefit obligation for post-employment benefits. According to prevailing past practice, listed corporate bonds have usually been considered to be HQC bonds if they receive one of the highest two ratings given by a recognised rating agency ('AAA' and 'AA'). Because of the financial crisis the number of these bonds has decreased. At its March 2013 meeting the Interpretations Committee was informed about the views of members of the IASB on this topic. The staff consulted with experts, for example actuaries, on this topic in considering the IASB's direction. The Interpretations Committee think that this topic is too broad for a narrow-scope amendment to IAS 19 and have asked the staff to focus on an analysis of whether 'high quality' is an absolute or relative concept.

IAS 1—Disclosure Requirements about Assessment of Going Concern

IAS 1 *Presentation of Financial Statements* requires that when management are aware of material uncertainties about an entity's ability to continue as a going concern, those uncertainties should be disclosed. The submitter, the IAASB, thinks that the guidance about the disclosure of these uncertainties is not clear. A similar topic had been presented to the Advisory Council in June 2012 by the chair of the UK FRC on actions that they were taking in response to the Sharman Inquiry. The Advisory Council's advice at that time was that perhaps the Interpretations Committee or the IASB could provide guidance on these disclosures.

In January 2013 the Interpretations Committee recommended proposals for a narrow-scope amendment to IAS 1 to the IASB that would clarify when these disclosures would be made and what disclosures about these uncertainties should be required. At its March 2013 meeting the IASB discussed these proposals and requested that they should be further developed. It is expected that an Exposure Draft of these proposals together with any other amendments to IAS 1 arising from the Disclosure Discussion Forum will be published in the fourth quarter of 2013.

Put Options Written on Non-controlling Interests (NCI)

Following the publication of a draft interpretation regarding the accounting for NCI puts the Board discussed the feedback received and the recommendation of the Interpretations Committee to reconsider the accounting for NCI puts rather than proceeding to finalise the interpretation. The Board agreed with this recommendation and has asked the staff to undertake further analysis on the accounting for puts over own equity including over NCI.

Fair Value Measurement – unit of account

A narrow-scope amendment on the unit of account for fair value measurement of equity investments in subsidiaries, associates and joint ventures is currently with the IASB for development. It is expected that an Exposure Draft on this topic will be published later this year.

Annual Improvements

Annual Improvements 2010–2012

The 2010–2012 Annual Improvements Exposure Draft was published in May 2012. The Interpretations Committee discussed the comments received on some of these annual improvements in November 2012, January 2013 and March 2013. The recommendations from the Interpretations Committee on how to finalise these issues were presented to the IASB in the first half of 2013. The IASB is targeting issuing the final requirements in the fourth quarter of 2013.

Annual Improvements 2011–2013

The 2011–2013 Annual Improvements Exposure Draft was published in November 2012. A summary of the comment letters received was presented to the Interpretations Committee in May 2013. The recommendations from the Interpretations Committee on how to finalise these issues were presented to the IASB in June 2013. The IASB is targeting issuing the final requirements in the fourth quarter of 2013.

Annual Improvements 2012–2014

The Interpretations Committee has so far identified three potential issues for inclusion in the Exposure Draft for the 2012–2014 cycle of Annual Improvements. The IASB expects to publish the 2012-2014 Exposure Draft in the fourth quarter of 2013.

Interpretations

Levies

In May 2012 IFRIC Interpretation 21 *Levies* (IFRIC 21) was published. It clarifies the point at which a liability to pay certain levies should be recognised.

Education initiative

Joint Arrangements—educational material

IFRS 11 *Joint Arrangements* was issued in May 2011 as part of our suite of new Standards addressing consolidation and joint arrangements. IFRS 11 requires an entity that is a party to a joint arrangement to account for its involvement with the joint arrangement on the basis of its rights and obligations. There is a reasonable degree of judgement required in making the assessments needed to apply the Standard. In response to requests for guidance in this area, we drafted educational material to assist those making the judgements required in order to apply the principles in IFRS 11. However, several of the external fatal flaw reviewers were of the opinion that some of the educational material was interpretative in nature. Consequently work on the educational material has been suspended and consideration is being given to whether to bring some of the issues to the Interpretations Committee instead.

IFRS for SMEs

Comprehensive Review 2012–2014

As previously discussed, 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. In mid-2012 the IASB commenced the initial comprehensive review by issuing a Request for Information seeking public views on whether there is a need to make any amendments to the *IFRS for SMEs*.

In February 2013 the SME Implementation Group (SMEIG) met to discuss public responses to the Request for Information. A report containing the recommendations of the SMEIG on amendments to the *IFRS for SMEs* was provided to the IASB in March 2013.

The IASB concluded its discussions on the main issues in the comprehensive review in June 2013 and expects to publish an Exposure Draft of the proposals in the third quarter of 2013.

Guidance for micro-sized entities

In 2012 it was decided that guidance should be developed to help micro-sized entities apply the *IFRS for SMEs*. That guidance was released in the last week of June.

Post-implementation review (PIR)

The IASB reviewed the conclusions arising from the Post-implementation Review of IFRS 8 *Operating Segments* in April 2013. The feedback statement on the post-implementation review is being prepared. Publication will be in July 2013.

The experience gained from this first PIR is being used in planning the PIR of IFRS 3 *Business Combinations* for which preparatory work has now begun. The scope of this PIR is currently being considered.

Work plan - as at 21 June 2013

Major IFRSs

Next major project milestone				
	2013 Q1	**2013 Q2**	**2013 Q3**	**2013 Q4**
IFRS 9: *Financial Instruments* (replacement of IAS 39)				
Classification and Measurement (Limited Amendments)		Redeliberations		
Impairment [comment period ends 5 July 2013]			Redeliberations	
Hedge Accounting			Target IFRS	
Accounting for Macro Hedging			Target DP	
	2013 Q1	**2013 Q2**	**2013 Q3**	**2013 Q4**
Insurance Contracts [comment period ends 25 October 2013]				Redeliberations
Leases [comment period ends 13 September 2013]				Redeliberations
Rate-regulated Activities				
Interim IFRS [comment period ends 4 September 2013]				Redeliberations
Rate Regulation				Target DP
Revenue Recognition			Target IFRS	
IFRS for SMEs: Comprehensive Review 2012-2014 – see project page				

Implementation

Next major project milestone				
Narrow-scope amendments	**2013 Q1**	**2013 Q2**	**2013 Q3**	**2013 Q4**
Acquisition of an Interest in a Joint Operation (Proposed amendments to IFRS 11)				Target IFRS
Actuarial Assumptions: Discount Rate (Proposed amendments to IAS 19)				Target ED
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)		Target ED		

Next major project milestone

Narrow-scope amendments	**2013 Q1**	**2013 Q2**	**2013 Q3**	**2013 Q4**
Clarification of Acceptable Methods of Depreciation and Amortisation (Proposed amendments to IAS 16 and IAS 38)				Target IFRS
Defined Benefit Plans: Employee Contributions (Proposed amendments to IAS 19) [comment period ends 25 July 2013]				Target IFRS
Disclosure Requirements about Assessment of Going Concern (Proposed amendments to IAS 1)				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
Novation of Derivatives and Continuation of Hedge Accounting (Proposed amendments to IAS 39 and IFRS 9)		Target IFRS		
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 (Proposed amendments to IFRS 10 and IAS 28)				Target IFRS
Separate Financial Statements (Equity Method) (Proposed amendments to IAS 27)				Target ED

<table>
<tr><th>Post-implementation reviews</th><th>2013 Q1</th><th>2013 Q2</th><th>2013 Q3</th><th>2013 Q4</th></tr>
<tr><td>IFRS 8 Operating Segments</td><td></td><td>Publish report on Post-implementation Review</td><td></td><td></td></tr>
<tr><td>IFRS 3 Business Combinations</td><td></td><td colspan="2">Develop scope of review</td><td></td></tr>
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Conceptual Framework

Next major project milestone				
	2013 Q1	**2013 Q2**	**2013 Q3**	**2013 Q4**
Conceptual Framework (chapters addressing elements of financial statements, measurement, reporting entity and presentation and disclosure)		Target DP		
Disclosures: Discussion Forum [Feedback Statement published 28 May 2013. Click here.]				

Research Projects

Research projects involve preliminary research to help the IASB evaluate whether to add a topic to its work plan. The IASB will begin research on the following topics in due course.			
Business combinations under common control			
Discount rates			
Emissions trading schemes			
Equity method of accounting			
Extractive activities			
Financial instruments with characteristics of equity			
Financial reporting in high inflationary economies			
Foreign currency translation			
Income taxes			
Intangible assets			
Liabilities-amendments to IAS 37			
Post-employment benefits (including pensions)			
Share-based payments			

Completed IFRSs

Major projects	Issued date	Effective date	**Year that post-implementation review is expected to start[5]**
Amendments to IAS 19 *Employee Benefits*	June 2011	01 January 2013	2015
IFRS 10 *Consolidated Financial Statements*	May 2011	01 January 2013	2016
IFRS 11 *Joint Arrangements*	May 2011	01 January 2013	2016
IFRS 12 *Disclosure of Interests in Other Entities*	May 2011	01 January 2013	2016
IFRS 13 *Fair Value Measurement*	May 2011	01 January 2013	2015
IFRS 9 *Financial Instruments*	October 2010	01 January 2015	TBC
Narrow-scope amendments	Issued date	Effective date	
Annual Improvements 2009-2011 • IFRS 1 *First-time Adoption of International Financial Reporting Standards*: ○ Repeated application of IFRS 1 ○ Borrowing costs • IAS 1 *Presentation of Financial Statements*- Clarification of the requirements for comparative information • IAS 16 *Property, Plant and Equipment* - Classification of servicing equipment • IAS 32 *Financial Instruments: Presentation* - Tax effect of distribution to holders of equity instruments • IAS 34 Interim Financial Reporting - Interim financial reporting and segment information for total assets and liabilities	May 2012	01 January 2013	
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11, and IFRS 12)	June 2012	01 January 2013	
Disclosures-Offsetting Financial Assets and Financial Liabilities *(Amendments to IFRS* 7)	December 2011	01 January 2013	
***IFRIC 20* Stripping Costs in the Production Phase of a Surface Mine**	October 2011	01 January 2013	
IFRS 1* First-time Adoption of International Financial Reporting Standards - *Government Loans	March 2012	01 January 2013	
IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	December 2011	01 January 2014	
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS *27)*	October 2012	01 January 2014	
Recoverable Amount Disclosures for Non-Financial Assets *(Amendments to IAS 36)*	May 2013	01 January 2014	
IFRS 9 *Financial Instruments* - Mandatory effective date of IFRS 9 and transition disclosures	December 2011	01 January 2015	
Interpretations	**Issued date**	**Effective date**	
***IFRIC 21* Levies**	May 2013	01 January 2014	

[5] 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.

Agenda Consultation

	2013	2014	2015
Three-yearly public consultation [Feedback Statement published 18 December 2012] [Next consultation scheduled 2015]			Initiate second triennial public consultation

Appendix A

LIST OF PAPERS SUBMITTED TO THE DPOC SINCE THE APRIL 2013 MEETING

Date	From	Subject(s)
15 Apr	E-mail: Jenn Jones, on behalf of Alan Teixeira	IAS 36 Narrow-scope Amendment: Recoverable Amount Disclosures (IASB Meeting April 2013 – Agenda Paper 14B)
3 May	E-mail: Jenn Jones, on behalf of Alan Teixeira Memo: Patrick Le Fiao	IFRIC 21
8 May	E-mail: Jenn Jones, on behalf of Alan Teixeira Memo: Alan Teixeira/Patrina Buchanan	Leases: Issue of Revised ED
14 May	E-mail: Jenn Jones, on behalf of Alan Teixeira	Revenue Recognition: Due Process Summary (IASB Meeting May 2013 – Agenda Paper 7C)
		Conceptual Framework: Due Process and Permission to Ballot (IASB Meeting May 2013 – Agenda Paper 10)
		Proposed Amendments to IFRS 13: Unit of Account – Summary of Due Process (IASB Meeting May 2013 – Agenda Paper 14B)
		Novation of Derivatives: Due Process Consideration (IASB Meeting May 2013 – Agenda Paper 19A)
10 Jun	E-mail: Saffron Russell, on behalf of Alan Teixeira	Annual Improvements Project – 2011-2013 Cycle: Summary of Due Process Followed (IASB Meeting June 2013 – Agenda Paper 12D)

Appendix B

LATE BOARD PAPER POSTINGS

Late postings for April 2013
No late postings

Late postings for May 2013
(Board meeting commenced 21 May 2013)

IASB Paper number	*FASB Memo number*	*Project*	*Status of paper*	*Comment*
14C		Fair Value Measurement: proposed amendments to IFRS 13: discussions with the Interpretations Committee (IC)	Posted on 17 May, discussed on 21 May	Paper reflected discussions at the Interpretations Committee meeting which was held on 14-15 May.
16A-D		IAS 41 and IFRS 13: valuation of biological assets using a residual method	Posted on 17 May, discussed on 22 May	These supplemental papers reproduced for the Board material (already publicly available) that had been discussed at a number of Interpretations Committee meetings in May, September and November 2012, and March 2013.

Late postings for June 2013
(Board meeting commenced 18 June 2013)

IASB Paper number	*FASB Memo number*	*Project*	*Status of paper*	*Comment*
6B	231	Accounting for Financial Instruments: Classification and Measurement – Comment letter and outreach summary	Posted on 12 June, discussed on 18 June	This was a FASB staff paper summarising the outcome of the FASB's consultation exercise that was presented to both boards for discussion.