

IASB Update

From the International Accounting Standards Board



3 March 2010

Welcome to IASB Update

This IASB Update is a staff summary of the tentative decisions reached by the Board at a public meeting. As a project progresses, the Board can, and sometimes does, modify its earlier tentative decisions. Tentative decisions do not change existing requirements until those decisions are incorporated in a new or amended standard.

The International Accounting Standards Board met in London on 3 March 2010, when they discussed:

- Financial instruments: hedge accounting

The IASB also met with the US Financial Accounting Standards Board, who participated via video conference, on 3 March. They discussed:

- Financial statement presentation
- Fair value measurement

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Future board meetings

The IASB meets at least once a month for up to five days. The next meetings in 2010 are:

11 March
15 - 19 March
22 - 24 March

To see all Board meetings for 2010, [click here](#).

Archive of IASB Update Newsletter

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Podcast summaries

To listen to past Board meeting audio summaries (podcasts), [click here](#).

Financial instruments: hedge accounting

The Board continued an existing discussion on eligibility for designation as a hedged item in a hedge accounting relationship. The Board tentatively decided that derivatives could be designated as hedged items in several situations, including the situation when the hedged exposure is a combination of a derivative and a non-derivative. The Board also tentatively decided that proportions of nominal amounts and one-sided risks would be eligible for designation as hedged items.

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Joint meeting

Financial statement presentation

The boards addressed the transition and effective date provisions to be included in the exposure draft on financial statement presentation.

The boards tentatively decided that the exposure draft should indicate their preference for requiring an entity to adopt the financial statement presentation provisions on a full retrospective basis. Accordingly an entity would apply the financial statement presentation requirements to previously-issued financial statements. This would entail, for each prior period, reclassifications, new groupings and disaggregation of comparative information presented and disclosed as if the new presentation provisions had always been applied. The boards indicated that the effective date for the final standard would provide adequate lead time for reporting entities to prepare for and implement the changes proposed. The exposure draft will include a question soliciting information about the amount of time needed to implement those changes.

The boards noted that they plan to consider the effective dates and transition for standards to be completed by 30 June 2011 collectively, and that they may therefore modify their previously-stated preferences in the case of some individual standards. As part of that consideration, the boards will address whether early adoption of the financial statement presentation standard should be permitted.

The IASB considered the related implications for IFRS 1 *First-Time Adoption of International Financial Reporting Standards* and tentatively decided that:

- IFRS 1 should not provide any exceptions to, or exemptions from, the financial statement presentation standard for first-time adopters of IFRSs.
- first-time adopters should be permitted to adopt that standard early.

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Fair value measurement

The boards discussed the staff's plan for developing educational material to accompany an IFRS on fair value measurement. This educational material will describe at a high-level the thought process that one might go through to meet the objective of a fair value measurement. The educational material will be published by the IASC Foundation. IASB and FASB staff will liaise during its development.

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