IASB Update

From the International Accounting Standards Board

January 2013

Welcome to the IASB *Update*

The IASB met in public from 20-31 January 2013 at the IASB offices in London, UK. The FASB joined the IASB for some of the sessions via video from its offices in Norwalk.

The topics for discussion were:

- Insurance Contracts
- Rate-regulated Activities
- Leases
- Revenue Recognition
- Financial Instruments: Hedge Accounting
- Matters arising from the IFRS Interpretations Committee
- Integrated Reporting
- Conceptual Framework
- Post-implementation review of IFRS 8 *Operating Segments*

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Future Board meetings

The IASB meets at least once a month for up to five days.

The next Board meetings in 2013 are:

13-22 February
14-22 March
17-26 April

To see all Board meetings for 2013, **click here**.

Archive of IASB *Update* Newsletter

For Archived copies of past issues of IASB *Update* on the IFRS website, **click here**.

Podcast summaries

To listen to a short Board meeting audio summary (podcast) of previous Board meetings, **click here**.

Insurance Contracts

(IASB-only education session)

The IASB held an education session on 29 January 2013 to continue its discussions of the proposed Insurance Contracts Standard. The IASB discussed the presentation of insurance contract revenue when there are changes in the pattern of expected claims, and the transition proposals for insurance contract revenue. In addition, the IASB discussed how to measure insurance contracts that had been previously acquired in a business combination on transition.

No decisions were taken.

(Joint meeting with the FASB)

The IASB and FASB met on 30 January 2013 to continue their joint discussions of the proposed *Insurance Contracts* Standard. The boards discussed the presentation of insurance contract revenue when there are changes in the pattern of expected claims, and the transition proposals for insurance contract revenue.

Allocation of insurance contract revenue upon a change in the pattern of expected claims

The boards tentatively decided that, if there is a change in the expected pattern of future claims, the remaining insurance contract revenue should be reallocated prospectively to reflect the latest estimates of that pattern.

Thirteen IASB members and all FASB members agreed with this decision.

Transition for insurance contract revenue

The IASB tentatively decided that, on transition, an insurer should estimate the amount of revenue to be recognised in future periods by estimating the residual margin or initial loss included in the liability for remaining coverage. In estimating that residual margin or loss, an insurer shall assume that the risk adjustment at inception is assumed to equal the risk adjustment on transition.

Fourteen IASB members agreed with this decision.

In addition, the IASB decided that when retrospective application is impracticable, an insurer shall estimate the residual margin by maximising the use of objective data. In other words, an insurer should not calibrate the residual margin to the insurance liability as it was measured using previous GAAP.

All IASB members agreed with this decision.

The FASB tentatively decided that for contracts accounted for under the building block approach that are in-force at transition, the amount of the revenue to be recognised after transition should be determined as follows:

- For contracts for which the margin is determined through retrospective application, the insurance contract revenue remaining to be earned as of the date of transition should be determined retrospectively by using the assumptions applied in the retrospective determination of the margin.
- For contracts for which retrospective application is impracticable for determining the margin because it would require significant estimates that are not based solely on objective information, the remaining insurance contract revenue to be earned should be presumed to equal the amount of the liability for remaining coverage (excluding any investment components) recorded at the date of transition (plus accretion of interest).
  - The liability for remaining coverage for these contracts at the date of transition should be presumed not to consist of any losses on initial recognition or of changes in estimate of future cash flows recognised in profit or loss after the inception of the contracts.
  - The remaining insurance contract revenue to be earned shall be limited to the total expected cumulative consideration for in-force policies in the portfolio (plus interest accretion and less investment component receipts).
  - The remaining insurance contract revenue should be allocated to periods subsequent to the date of transition in proportion to the value of coverage (and any other services) that the insurer has provided for the period (ie

applying the pattern of expected claims and expenses and release of margin).

All FASB members agreed with this decision.

(IASB-only meeting)

The IASB met on 31 January 2013 to consider sweep issues in the Insurance Contracts project.

Definition and scope

The IASB tentatively decided:

- not to address policyholder accounting (except for cedants) in the insurance contracts project;
- not to create specific guidance on grandfathering the definition of an insurance contract; and
- not to create specific guidance on takaful.

Recognition

The IASB tentatively decided to revise the recognition point to clarify that the recognition point for deferred annuities is the earlier of the start of the coverage period or the date on which the first premium becomes due. In the absence of a contractual due date, the premium is deemed to be due when received.

Measurement

The IASB tentatively decided:

- to clarify that the cash flows relating to tax payments should be evaluated and treated like any other cash flows;
- not to address discounting of deferred taxes in the Insurance Contracts project; and
- not to create specific guidance on tacit renewals or cash bonuses.

Reinsurance

The IASB tentatively decided:

- not to impose a limit on unfavourable adjustments against the positive residual margin on reinsurance contracts held by a cedant; and
- to confirm the proposal in the 2010 Exposure Draft that an insurer should treat ceding commissions as a reduction of premiums ceded to the reinsurer.

Premium allocation approach

The IASB tentatively decided:

- to align the requirements to reduce the liability for remaining coverage in the premium allocation approach with the requirements for releasing the residual margin in the building block approach; and
- for contracts accounted for using the premium allocation approach, to provide an insurer with relief from disclosing a maturity analysis of cash flows for the liability for remaining coverage.

Business combinations and portfolio transfers

The IASB tentatively decided:

- to confirm the proposal in the 2010 Exposure Draft that different requirements should apply to business combinations and portfolio transfers; and
- not to create explicit guidance on the allocation period of the residual margin in a business combination or portfolio transfer.

Implementation guidance

The IASB tentatively decided:

- not to carry forward the implementation guidance that currently accompanies IFRS 4 *Insurance Contracts* to the new Standard; and
- to add an explicit explanation that not carrying forward implementation guidance of IFRS 4 does not mean that the IASB rejected it.

Twelve IASB members agreed with these decisions. One member was absent and one abstained.

Next steps

The IASB has nearly completed its technical discussions needed to finalise its Revised Exposure Draft on insurance contracts. At its February 2013 meeting, the IASB will discuss transition for business combinations.

The IASB will also be asked to decide the length of the comment period, and for permission to ballot. The FASB will continue its discussions on the Insurance Contracts project at its meeting on 6 February 2013.

Rate regulated Activities

(IASB education session)

The IASB held an education session on 29 January 2013 to continue its discussions about a proposal for an interim IFRS for Rate-regulated Activities that would allow entities adopting IFRS to continue to use their local GAAP requirements for rate-regulated activities until the main project is completed. The IASB discussed proposals for the scope of the [draft] interim Standard, as well as proposals for grandfathering, impairment, presentation, disclosure and transition.

No decisions were taken.

(IASB decision making session)

The IASB continued its discussions on a proposal for an interim Standard for Rate-regulated Activities that would allow entities adopting IFRS to continue to use their local GAAP requirements for rate-regulated activities until the main project is completed. The IASB discussed proposals for the scope of the proposed interim Standard, as well as proposals for grandfathering, impairment, presentation, disclosure and transition.

Scope

The IASB tentatively decided that:

a. the scope of the proposed interim Standard should be restricted to only those regulatory items that are not already dealt with in other Standards;
b. the type of rate regulation within the scope should be defined; and
c. the proposed interim Standard should only be available for use by those entities that adopt IFRS at the same time (ie those entities that are within the scope of IFRS 1 *First-time Adoption of International Financial Reporting Standards* in the period when the proposed interim Standard is first applied).

Recognition and measurement

The IASB tentatively decided to grant an exemption from paragraph 11 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to allow entities to continue to use their existing accounting policies for recognition, measurement and impairment when the proposed interim Standard is first applied and in subsequent reporting periods. Changes to those existing policies will be restricted.

Presentation and disclosure

The IASB tentatively decided that the regulatory balances should be shown as separate line items in the statement of financial position and the statement of profit or loss and other comprehensive income. The regulatory items should be segregated from non-regulatory items using subtotals. An analysis of the amounts reported should be disclosed in the notes.

Transition and consequential amendments

The IASB tentatively decided that the requirements of the proposed interim Standard should be applied retrospectively, subject to the deemed cost exemption already contained within IFRS 1. The scope of that exemption should be amended to be consistent with the scope of this proposed interim Standard.

Next steps

The staff will prepare an Exposure Draft based on these decisions and will begin the balloting process for publication.

Leases

(IASB-only education session)

The IASB held an education session on 29 January 2013 to discuss questions that have arisen during the drafting of the revised *Leases* Exposure Draft about the identification of lease components and the unit of account when applying the classification guidance.

No decisions were taken.

(Joint meeting with the FASB)

In this meeting, the IASB and the FASB discussed questions that have arisen during the drafting of the revised *Leases* Exposure Draft about the identification of lease components and the classification of leases.

The boards tentatively decided to include the following guidance in the revised Exposure Draft:

1. How to identify separate lease components within a contract. The guidance would be similar to the proposed guidance in paragraphs 28 and 29 of the 2011 Revenue Recognition Exposure Draft about the identification of separate performance obligations. An entity would be required to account for each separate lease component as a separate lease.
2. How to determine the nature of the underlying asset for classification purposes when one lease component contains the right to use more than one asset. The boards tentatively decided that an entity should determine the nature of the underlying asset for classification purposes on the basis of the nature of the primary asset within the lease component.

Fourteen IASB members and all FASB members agreed. One IASB member abstained.

The boards tentatively decided that when applying the classification guidance to a property lease component that contains both land and a building, an entity:

1. is not required to allocate lease payments between the land and the building; and
2. would assess whether the lease term is for a major part of the remaining economic life of the building.

Twelve IASB members and all FASB members agreed. One IASB member abstained.

Next steps

The Exposure Draft is planned for publication in the second quarter of 2013.

Revenue Recognition

(IASB-only education session)

The IASB held an education session on 29 January 2013. No decisions were taken.

(Joint meeting with the FASB)

The IASB and the FASB met on 30 January 2013 to continue their joint redeliberations on the revised Exposure Draft *Revenue from Contracts with Customers* (the 2011 ED).

The boards discussed the following topics:

a. Scope
b. Repurchase agreements
c. Effect of the revenue recognition model on asset managers
d. Transfers of assets that are not an output of an entity's ordinary activities
e. Update on outreach regarding disclosure and transition proposals.

Paper 7A—Scope

The boards tentatively decided to confirm the scope of the 2011 ED, including the definition of a customer.

The boards also tentatively decided to clarify:

a. that a collaborative arrangement (as described in paragraph 10 of the 2011 ED) is not limited to the development and commercialisation of a product;
b. that a contract with a collaborator or a partner is within scope of the final Revenue Standard if the counterparty meets the definition of a customer; and
c. the application of paragraph 11 of the 2011 ED that specifies how an entity would apply the final Revenue Standard when a contract with a customer is partially within the scope of the final Revenue Standard and partially within the scope of other Standards.

Fourteen IASB members and all FASB members agreed. One IASB member abstained.

Paper 7B Repurchase agreements

The boards discussed the following topics related to the implementation guidance on repurchase agreements in paragraphs IG38–IG48/B38-B48 of the 2011 ED:

a. sale-leaseback transactions that include a put option;
b. other amendments;
c. application questions; and
d. call options—significant economic incentive not to exercise.

Sale-leaseback transactions that include a put option
The boards tentatively decided that a sale-leaseback transaction that includes a put option, with a repurchase price that is less than the original sales price and for which the customer has a significant economic incentive to exercise, would be accounted for as a financing.

Fourteen IASB members and all FASB members agreed. One IASB member abstained.

Other amendments
The boards tentatively decided to remove the word 'unconditional' from the implementation guidance for repurchase agreements.

The boards clarified that in a product financing arrangement (ie when an entity sells a product to another entity and repurchases that product as part of a larger component for a higher price), an entity would exclude the processing costs from the repurchase price in determining the amount of interest.

Fourteen IASB members and all FASB members agreed. One IASB member abstained.

Application guidance
The boards considered the application of the implementation guidance on repurchase agreements in the 2011 ED to the following scenarios and tentatively decided that no amendments to the guidance were necessary.

a. *Sale of a good to a customer with a guarantee that the customer will receive a minimum amount upon resale*—the boards confirmed that the existence of the guarantee would not preclude the transfer of control of the product to the customer.

   Thirteen IASB members and all FASB members agreed. One IASB member abstained.

b. *Sale of a good to a customer that is subsequently repurchased for the purposes of leasing to the customers customer*—the boards confirmed that the repurchase of the good by the entity subsequent to the customer obtaining control of that good does not constitute a repurchase agreement as described in IG38/B38. However, in determining whether the customer obtained control of the good, an entity should consider the principal versus agent considerations in IG16 IG19/B16-B19.

Fourteen IASB members and all FASB members agreed. One IASB member abstained.

Call options—significant economic incentive not to exercise
The boards tentatively decided not to amend the 2011 ED to require an entity to consider whether it has a significant economic incentive not to exercise a call option when applying the implementation guidance for repurchase agreements.

Fourteen IASB members and all FASB members agreed. One IASB member abstained.

Paper 7C—Effect of the revenue recognition model on asset managers

The boards discussed the application of the 2011 ED to the asset management industry. Specifically, the application of the:

a. constraint on revenue recognised; and
b. contract cost proposals.

Constraint on revenue recognised
The boards tentatively confirmed their proposal in the 2011 ED that an asset manager's performance based incentive fees should be subject to the constraint on revenue recognised (as amended in the November 2012 joint board meeting).

Fourteen IASB members and five FASB members agreed. One IASB member abstained.

Contract cost proposals
The boards tentatively decided that no changes should be made to the contract cost proposals in the 2011 ED for upfront commission costs incurred in some asset management arrangements.

Fourteen IASB members and all FASB members agreed. One IASB member abstained.

The FASB also tentatively decided to retain the cost guidance for financial services investment companies in paragraph 946 605-25-8.

Six FASB members agreed.

Paper 7D Transfers of assets that are not an output of an entity's ordinary activities

The boards tentatively decided to confirm the consequential amendments proposed in the 2011 ED for transfers of non financial assets that are not an output of an entity's ordinary activities. Those amendments require an entity to apply the control and measurement requirements (including the constraint on revenue recognised) from the revenue model for the purposes of determining when the asset should be derecognised and the amount of consideration to be included in the gain or loss recognised on transfer.

Eleven IASB members and all FASB members agreed. One IASB member abstained.

The boards also tentatively decided that the requirements in paragraphs 13-15 of the 2011 ED for determining whether a contract exists should also apply to transfers of non-financial assets that are not an output of an entity's ordinary activities.

Fourteen IASB members and all FASB members agreed. One IASB member abstained.

Paper 7E Update on outreach regarding disclosure and transition proposals

The staff provided the boards with a summary of the feedback received on the boards' proposed disclosure and transition requirements in the 2011 ED. This feedback was received through comment letters, outreach and workshops held in Japan, the UK and the US that included both preparers and users of financial statements. No decisions were taken. The issues will be discussed by the boards in February 2013.

Next steps

The boards will continue redeliberations on the 2011 ED in February 2013.

Financial Instruments: Hedge Accounting

On 7 September 2012 a draft of the forthcoming hedge accounting requirements (draft requirements) was posted on the IASB website. This was part of an extended fatal flaw process.

At this meeting the IASB discussed three issues that were raised in comments on the draft requirements:

1. using 'hypothetical derivatives' to measure the change in the value of the hedged item;
2. the transition requirement for designation of 'own use' contracts as at fair value through profit or loss; and
3. the scope of the draft requirements and the interaction with macro hedging activities.

Using 'hypothetical derivatives' to measure the change in the value of the hedged item

The IASB discussed what use of hypothetical derivatives was appropriate for hedge accounting purposes. The discussion focused in particular on the nature of FX basis spreads and whether they can be considered to represent costs of hedging. The IASB noted that the appropriate use of a hypothetical derivative is to represent the hedged item (instead of representing the perfect hedge). The IASB retained this notion of a hypothetical derivative, which was included in the draft requirements, but tentatively decided to expand the notion of costs of hedging so as to accommodate FX basis spreads by:

a. expanding the existing draft requirement regarding the forward elements of forward contracts so that it also covers FX basis spreads; and
b. aligning the structure with that used for the accounting for the time value of options.

The IASB was concerned that using a broader principle for costs of hedging could result in some types of hedge ineffectiveness being inappropriately deferred in other comprehensive income as costs of hedging. Consequently, the IASB limited its decision to FX basis spreads.

Fourteen IASB members agreed, one abstained.

The transition requirement for designation of 'own use' contracts as at fair value through profit or loss

The IASB discussed the draft requirements for the transition of the designation of own use contracts. The IASB noted that because under the draft requirements the election of accounting as at fair value through profit or loss can only be made at inception of a contract, the transition to the new scope of IAS 39 *Financial Instruments: Recognition and Measurement* for own use contracts would in effect be prospective, because the election would not be available for contracts that already exist on the date on which an entity applies the new scope for the first time. This would result in an effect on financial statements that could involve a prolonged phasing-in of the new accounting treatment, which would make comparative information less useful.

Consequently, the IASB tentatively decided to change the draft transition requirements so that an entity makes the election for all own use contracts that already exist on the date on which it applies the new scope for the first time on an all-or-none basis for all similar contracts. The IASB also decided to make a consequential amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards* that provides the same approach on transition to IFRSs.

Fourteen IASB members agreed, one abstained.

The scope of the draft requirements and the interaction with 'macro hedging' activities

The IASB discussed the scope of the new hedge accounting model and its interaction with 'macro hedging' activities. The draft requirements allow entities to apply IAS 39 instead of the new hedge accounting model for a fair value hedge of the interest rate exposure of a portfolio of financial assets or financial liabilities (and only for such a hedge). Conversely, cash flow hedging relationships must be accounted for under the new hedge accounting model even if they relate to 'macro hedging' activities. The IASB discussed whether IAS 39 should continue to be applied for some cash flow hedges and whether it should clarify how the new hedge accounting model relates to hedging relationships that result from macro hedging activities.

The IASB tentatively decided:

- not to include any additional guidance from IAS 39 or the accompanying implementation guidance in the draft requirements;
- to clarify that designations for hedge accounting purposes do not have to be the *same* as the actual risk management view but must be directionally consistent with it. This relates to designations of hedging relationships that do not *exactly* represent the actual risk management (colloquially referred to as 'proxy hedging');
- to expand the example of when to discontinue hedge accounting (paragraph B6.5.24(b) of the draft requirements); and
- to add an explicit explanation that not carrying forward implementation guidance of IAS 39 does not mean that the IASB rejected it.

Fourteen IASB members agreed, one abstained.

The IASB also asked the staff to provide at a future meeting some analysis of how an election to apply IAS 39 instead of the new hedge accounting model might be designed and the consequences that might have. The IASB emphasised that this was to be investigated but that no decision had yet been taken to adopt such an approach.

Next steps

The IASB will discuss the staff analysis regarding the scope of the new hedge accounting model at a future meeting.

Matters arising from the IFRS Interpretations Committee: Hedge Accounting

The IASB discussed an issue that has been raised from the IFRS Interpretations Committee (the Interpretations Committee) regarding hedge accounting. The issue is whether hedge accounting should be discontinued in a circumstance in which an over-the-counter (OTC) derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty (CCP) following the introduction of new regulations.

Matters arising from the IFRS Interpretations Committee

The IASB discussed whether the current IFRS Standards should be amended to require such a novation to be deemed to be a continuation of the existing hedging relationship and, if so, how to determine the scope of the amendment. The IASB also discussed how long the comment period for the Exposure Draft of such proposed amendments should be. The IASB decided:

a. to publish a proposal for a limited-scope amendment to IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 9 *Financial Instruments* that would require a continuation of the existing hedging relationship in the circumstances raised in this issue; and
b. to limit the scope of proposed amendments to circumstances in which:

    i. a novation is required as a result of legislation, regulation or similar statutory requirements;
    ii. all parties to the original OTC derivative contract are affected in the same way by the novation; and
    iii. there are no changes to the terms of the original OTC derivative contract other than the change of counterparty to a CCP.

c. The IASB also decided that the comment period for the Exposure Draft should be 30 days because of the urgency of this issue.

All IASB members agreed.

Next steps

The IASB directed the staff to prepare an Exposure Draft for proposed amendments, which will be published in February 2013.

Integrated Reporting

The staff provided the IASB with an overview of the IASB's involvement with Integrated Reporting, in their capacities as members of the international Integrated Reporting Council and its working group.

The session was educational and the IASB was not asked to take any decisions.

Conceptual Framework

The IASB held an education session on the *Conceptual Framework* project and discussed:

a. the definition of an asset;
b. the definition of a liability; and
c. presentation.

No decisions were made.

Next steps

The IASB will continue its discussions on the Conceptual Framework project at the February 2013 meeting.

Post-implementation review: IFRS 8 *Operating Segments*

The IASB discussed the staff's summary of information received in response to the IASB's Request for Information (RFI) *Post-implementation Review*: IFRS 8 *Operating Segments*. The RFI was published for public comment in July 2012; the comment letter period ended on 16 November 2012.

The papers presented to the IASB for discussion were:

a. *Comment letter analysis and summary of outreach conducted*
b. *Review of academic literature to December 2012;* and
c. *Appendices: Summary of relevant literature to December 2012.*

The feedback reported to the IASB was based on:

a. the staff's preliminary analysis of the 62 comment letters received;
b. feedback received from outreach activities undertaken by members and staff of the IASB; and
c. the findings of a review of academic literature to December 2012 on the effect of applying IFRS 8.

The papers did not include any staff recommendations and the IASB was not asked to take any technical decisions. The IASB reaffirmed the staff view that they had now received sufficient information for the IASB to report on its post-implementation review of IFRS 8.

Next steps

The IASB requested that the staff should prepare a feedback statement on the information received from the post implementation review of IFRS 8 for presentation at a future IASB meeting.

Work plan—as at 4 February 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) [comment period ends 28 March 2013]		Redeliberations		
Impairment	Target ED			
Hedge Accounting		Target IFRS		
Accounting for macro hedging	Target DP			
	2013 Q1	**2013 Q2**	**2013 Q3**	**2013 Q4**

Insurance Contracts	Target ED			
Leases		Target ED		
Rate-regulated Activities				
Interim IFRS	Target ED			
Comprehensive project		Target RFI	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 amendment to IFRS 11) [comment period ends 23 April 2013]				Target IFRS
Annual Improvements 2010-2012		Target IFRS		
Annual Improvements 2011-2013 [comment period ends 13 February 2013]			Target IFRS	
Annual Improvements 2012-2014			Target ED	
Bearer biological assets (proposed amendments to IAS 41)		Target ED		
Clarification of Acceptable Methods of Depreciation and Amortisation (proposed amendments to IAS 16 and IAS 38)			Target IFRS	
Equity Method: Share of Other Net Asset Changes (proposed amendments to IAS 28) [comment period ends 22 March 2013]			Target IFRS	
Novation of OTC derivatives and continued designation for hedge accounting (proposed amendments to IAS 39 and IFRS 9)	Target ED			
Recognition of Deferred Tax Assets for Unrealised Losses (proposed amendments to IAS 12)				Target ED
Recoverable Amount Disclosures for Non-Financial Assets (proposed amendments to IAS 36) [comment period ends 19 March 2013]		Target IFRS		
Sale or contribution of assets between investor and its associate/ joint venture (Proposed amendments to IFRS 10 and IAS 28) [comment period ends 23 April 2013]			Target IFRS	
Separate financial statements (equity method) (proposed amendments to IAS 27)		Target ED		

Interpretations	2013 Q1	2013 Q2	2013 Q3	2013 Q4

Levies Charged by Public Authorities on Entities that Operate in a Specific Market		Target Interpretation		
Put Options Written on Non-controlling Interests				Target Interpretation

Post-implementation reviews	**2013 Q1**	**2013 Q2**	**2013 Q3**	**2013 Q4**
IFRS 8 *Operating Segments*		Publish report on post-implementation review		
IFRS 3 *Business Combinations*	Initiate review			

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		

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**	

Amendments to IAS 19 *Employee Benefits*	June 2011	01 January 2013	
IFRS 9 *Financial Instruments*	October 2010	01 January 2015	
IFRS 10 *Consolidated Financial Statements*	May 2011	01 January 2013	
IFRS 11 *Joint Arrangements*	May 2011	01 January 2013	
IFRS 12 *Disclosure of Interests in Other Entities*	May 2011	01 January 2013	
IFRS 13 *Fair Value Measurement*	May 2011	01 January 2013	
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 *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	

IFRS 1 *First-time Adoption of IFRSs*—Government Loans	March 2012	01 January 2013	
***Disclosures-Offsetting Financial Assets and Financial Liabilities* (Amendments to IFRS 7)**	December 2011	01 January 2013	
IFRS 9 *Financial Instruments*—Mandatory effective date of IFRS 9 and transition disclosures	December 2011	01 January 2015	
***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	
***Investment Entities* (Amendments to IFRS 10, IFRS 12 and IAS 27)**	October 2012	01 January 2014	
IAS 1 *Presentation of Financial Statements*—Presentation of items of Other Comprehensive Income	June 2011	01 July 2012	
IAS 32 *Financial Instruments: Presentation*—Offsetting Financial Assets and Financial Liabilities	December 2011	01 January 2014	
IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*	October 2011	01 January 2013	

Agenda consultation				
Next major project milestone				
	2013 Q1	**2013 Q2**	**2013 Q3**	**2013 Q4**
Three-yearly public consultation [Feedback Statement published 18 December 2012] [Next consultation scheduled 2015]				

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