IASB Update

From the International Accounting Standards Board

November 2013

Welcome to the *IASB Update*

The IASB met in public from 20–23 November 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:

- **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**
- **Acquisition of an Interest in a Joint Operation**
- **IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*—Exposure Draft *Clarification of Acceptable Methods of Depreciation and Amortisation***
- **Annual Improvements to IFRSs 2012-2014 cycle—Due process paper**
- **IFRS 2 *Share-based Payments*—definition of performance condition: performance target achieved after the service period**
- **Rate-regulated Activities: interim IFRS**
- **Amendments to IAS 1**
- **Revenue Recognition**
- **Financial Instruments: Classification and Measurement**
- **Leases**
- **Financial Instruments: Impairment**
- **Post-implementation Review of IFRS 3**
- **Rate-regulated activities: research project**

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Future board meetings

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

The next board meetings are:

9–13 December
29–31 January

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**.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The IASB discussed Agenda Paper 12A *Summary of due process followed*.

The IASB tentatively decided that the effective date of the amendment should be 1 January 2015.

The IASB reviewed the due process steps that it has taken since the publication of the Exposure Draft ED/2012/6 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Proposed amendments to IFRS 10 and IAS 28), published in December 2012, and concluded that the applicable due process steps have been completed.

The IASB also confirmed that the amendment does not need to be re-exposed before finalisation.

All IASB members agreed.

One IASB member expressed an intention to dissent from issuing the proposed amendments to IFRS 10 and IAS 28.

Next steps

The IASB plans to issue the final the amendment in the first quarter of 2014.

Acquisition of an Interest in a Joint Operation

The IASB discussed Agenda Paper 12B *Summary of due process followed*.

The IASB tentatively decided that the effective date of the amendment should be 1 January 2015. The IASB reviewed the due process steps that it has taken since the publication of the Exposure Draft ED/2012/7 *Acquisition of an Interest in a Joint Operation* (Proposed amendment to IFRS 11), published in December 2012, and concluded that the applicable due process steps have been completed.

The IASB also confirmed that the amendment does not need to be re-exposed before finalisation.

All IASB members agreed.

Next steps

The IASB plans to issue the final the amendment in the first quarter of 2014.

IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*—Exposure Draft *Clarification of Acceptable Methods of Depreciation and Amortisation*

In December 2012, the IASB published for comment the Exposure Draft ED/2012/5 *Clarification of Acceptable Methods of Depreciation and Amortisation* (Proposed amendments to IAS 16 and IAS 38). The comment period ended on 2 April 2013.

At its October 2013 meeting the IASB discussed the recommendations made by the members of the Interpretations Committee and asked the staff to make revisions to the proposed amendments.

At the November 2013 meeting the IASB discussed the revised proposed amendments and decided that it should proceed with them, subject to some wording changes. These proposed amendments to IAS 16 and IAS 38 would:

a. state that revenue is an inappropriate basis for measuring depreciation expense, because the revenue generated by an activity that includes the use of an asset generally reflects factors other than merely the consumption of the asset, including other inputs and processes, selling activities and changes in sales volumes and prices;
b. add a rebuttable presumption to IAS 38 that revenue is presumed to be an inappropriate basis for measuring depreciation expense, unless either it can be demonstrated that there is a strong correlation between revenue and the consumption of the asset or there is an unusual circumstance in which the intangible right is expressed as a measure of revenue;
c. provide additional guidance on choosing an amortisation method by reference to the limiting factor(s) that is(are) inherent in the intangible asset and that determine the limit of the entity’s use of the intangible asset; and
d. state that depreciation expense and amortisation expense are estimates of the expected pattern of consumption of the future economic benefits embodied in the asset.

The IASB also tentatively decided to clarify that expected reductions in the selling price of goods or services could indicate the existence of commercial obsolescence, which in turn could reflect a reduction in the economic benefits remaining in the asset.

All IASB members agreed.

Next steps

The staff will bring a paper to the next meeting setting out the due process steps that the IASB has taken to date before issuing the final amendments to IAS 16 and IAS 38.

Annual Improvements to IFRSs 2012–2014 Cycle—Due process paper

The IASB staff explained the due process steps that the IASB has taken to date in preparation for the publication of the Exposure Draft. The IASB agreed that it has complied with the due process requirements to date.

The IASB decided that the Exposure Draft should be published with a 90-day comment period, which is the normal period that the IASB allows for exposure for comments on Annual Improvements. All IASB members agreed.

No IASB members indicated that they intend to dissent from the publication of the Exposure Draft.

Next steps

The IASB plans to publish the Exposure Draft *Annual Improvements 2012–2014 Cycle* in December 2013.

IFRS 2 *Share-based Payments*—definition of performance condition: performance target achieved after the service period

At the October 2013 meeting, the staff informed the IASB about the US Emerging Issues Task Force's (EITF) recent consensus that a performance target that is achieved after the requisite service period is a performance condition. The staff also informed the IASB that this decision by the EITF was inconsistent with the IASB's proposed definition of a ‘performance condition’ included in the *Annual Improvements 2010–2012 Cycle*. This is because, using the IASB’s proposed definition of ‘performance condition’, performance targets that are achieved after the requisite service period would not be accounted for as performance conditions, and would be accounted for instead as non-vesting conditions.

At the November 2013 meeting the IASB decided to confirm its proposal that the period over which the performance target is achieved should not extend beyond the service period and decided to finalise the amendment to IFRS 2 through the *Annual Improvements 2010–2012 Cycle*.

All IASB members agreed.

Next steps

The IASB plans to finalise the amendments included in the *Annual Improvements 2010–2012 Cycle* in December 2013.

Rate-regulated Activities: interim IFRS

The IASB discussed Agenda Paper 14 *Effective date and due process steps*.

The IASB tentatively decided that the effective date for the interim IFRS should be 1 January 2016, with earlier application permitted. The IASB also stated that it is satisfied that it has completed all of the necessary due process steps required to date and instructed the staff to prepare a draft of the interim IFRS for ballot. All IASB members agreed.

Next steps

The IASB expects to publish the interim IFRS *Regulatory Deferral Accounts* in the first quarter of 2014.

Amendments to IAS 1

The IASB met on 20 November 2013 to discuss proposed narrow-focus amendments to IAS 1 *Presentation of Financial Statements*.

Agenda Paper 8A: Disclosure Initiative: Amendments to IAS 1

The IASB continued its September discussion about whether paragraph 114 of IAS 1 should impose a ‘default’ order for presenting the notes to the financial statements or whether entities should have more flexibility in ordering the notes to the financial statements.

The IASB tentatively decided to include a proposal in the forthcoming Amendments to IAS 1 Exposure Draft to allow entities more flexibility when ordering the notes to the financial statements. All IASB members agreed.

Next steps

The IASB will discuss the proposed transition requirements and the due process steps undertaken to date in January 2014.

Agenda Paper: 8B Disclosure requirements about an assessment of going concern: Key conclusions and examples for discussion

In 2012 the IFRS Interpretations Committee (the ‘Interpretations Committee’) received a request for clarification on IAS 1. This Standard requires that when management is aware of material uncertainties about the entity’s ability to continue as a going concern, those uncertainties should be disclosed. At its January 2013 meeting the Interpretations Committee recommended a narrow-focus amendment about the disclosure of these uncertainties to the IASB for deliberation. Subsequently, at its March 2013 meeting, the IASB requested that the Interpretation Committee’s proposals should be further developed.

At this meeting, the IASB discussed the basis on which the proposed amendment would be developed:

a. the existing definition of going concern used as the basis of preparation of the financial statements would be unchanged;
b. the going concern assessment process itself would be unaffected by the proposals;
c. disclosures about going concern would be triggered by the identification of events or conditions that by their magnitude, likelihood and timing cast significant doubt upon an entity’s ability to continue as a going concern; and
d. disclosure would be required even if management judged that effective and feasible mitigating actions were available that were sufficient to avoid liquidation or cessation.

The IASB discussed whether the proposed trigger for disclosure was appropriate.

In the discussion, the IASB acknowledged that information about going concern is important to investors and that information about the events and conditions that cast significant doubt upon an entity’s ability to continue as a going concern is useful to investors and creditors.

Many IASB members were concerned, however, about the sensitive nature of these disclosures. Some were concerned that, in making these disclosures, an entity could be in greater risk of no longer being a going concern, ie the act of disclosure could become a self-fulfilling prophecy. Others expressed concerns that even with the criteria of magnitude, likelihood and timing, too many events or conditions might be disclosed, resulting in boilerplate disclosures. Some IASB members were not persuaded that further guidance was needed.

Consequently, the IASB decided not to develop these proposals further and disagreed with the staff recommendation to use these conclusions as the basis of a proposed amendment to IAS 1.

Eight IASB members voted against the staff recommendation.

Revenue Recognition

(IASB-only decision-making session)

On 20 November 2013, the staff updated the IASB on the due process steps completed on the Revenue Recognition project (Agenda Paper 7A) since the IASB last considered the due process steps on this project at its May 2013 meeting. The IASB confirmed the decisions made at the May 2013 meeting. Specifically, the IASB confirmed that it has met its due process requirements and sufficient consultation and analysis has been undertaken. In addition, the IASB decided not to re-expose the Revenue Recognition Standard and agreed that the staff could begin the balloting process.

All IASB members agreed.

No IASB member indicated an intention to dissent from issuing the Revenue Recognition Standard.

Next steps

The staff have begun drafting the final Revenue Recognition Standard and the IASB expects to issue the Revenue Recognition Standard in the first quarter of 2014.

Financial Instruments: Classification and Measurement

The IASB and the FASB discussed clarifications to the business model assessment in the boards' recent Exposure Drafts.

Agenda Paper 6A: Overall Business Model Assessment

The boards discussed the meaning of the term *business model*, including the role of cash flow realisation, and the level on which the business model is assessed and tentatively decided to clarify that the business model assessment should:

a. refer to the actual management of financial assets in order to generate cash flows and create value for the entity—ie whether the likely actual cash flows will result primarily from the collection of contractual cash flows, sales proceeds or both;
b. allocate financial assets to the measurement attribute that will provide the most relevant and useful information about how activities and risks are managed to generate cash flows and create value; and
c. be assessed at a level that reflects (groups of) financial assets managed together to achieve a particular (common) objective.

Fifteen IASB members agreed. Seven FASB members agreed.

The boards discussed clarifications of how the business model—and a change in the business model—should be assessed and tentatively decided to clarify that:

a. the entity's business model for managing financial assets is often observable through particular activities that are undertaken to achieve the objectives of that business model;
b. sales do not drive the business model assessment and information about sales activity should not be considered in isolation (as further described in paragraph 76 (a)–(b) of the observer notes for Agenda Paper 6A); and
c. a change in the business model will occur only when an entity has either stopped or started doing something on a level that is significant to its operations—and that would generally be the case only when the entity has acquired or disposed of a business line.

Fifteen IASB members agreed. Four FASB members agreed.

The IASB also tentatively decided to clarify that:

a. business activities usually reflect the way in which the performance of the business model and underlying financial assets in that business model are evaluated and reported (ie key performance indicators) as well as the risks that typically affect the performance of the business model and how those risks are managed;
b. an entity should consider all relevant and objective information that is available at the date of the assessment but should not consider every 'what if' or worse-case scenario if the entity does not reasonably expect those scenarios to occur; and
c. if cash flows are realised in a way that is different from the entity's expectations at the date that the business model assessment was made, it will neither:
    i. result in the restatement of prior period financial statements; nor
    ii. change the classification of the remaining financial assets in the business model

    as long as the entity considered all relevant and objective information that was available at the time that it made the assessment.

Fifteen IASB members agreed.

In addition, the FASB tentatively decided to converge the guidance in its tentative classification and measurement model with IFRS 9

Financial Instruments regarding the date on which reclassification is reflected in the financial statements. Specifically, the FASB tentatively decided that the reclassification date would be the first day of the first reporting period following the change in the business model. The FASB had earlier proposed that the reclassification date should be the last day of the reporting period in which the change in the business model occurs.

Four FASB members agreed.

Agenda Paper 6B: Hold to Collect Business Model

The boards discussed clarifications to the hold to collect business model and tentatively decided to clarify the application guidance for the hold to collect business model as set out in paragraph 62 (a)-(d) of the observer notes for Agenda Paper 6B, specifically:

a. to reinforce the current hold to collect ‘cash flows (value) realisation’ concept;
b. to emphasise that insignificant and/or infrequent sales may not be inconsistent with the hold to collect business model;
c. to clarify that sales information should not be considered in isolation and is not determinative; and
d. to clarify that credit risk management activities aimed at minimising potential credit losses due to credit deterioration are integral to the hold to collect objective.

Sixteen IASB members agreed. Seven FASB members agreed.

In addition, as part of the clarifications under point (a), the FASB tentatively decided that the guidance on the hold to collect business model should emphasise activities aimed at achieving the business model’s objective.

Seven FASB members agreed.

The boards tentatively decided that sales made in managing concentration of credit risk should be assessed in the same way as any other sales made in the business model.

Twelve IASB members and four FASB members agreed.

Agenda Paper 6C: Fair Value Categories

The boards discussed the fair value measurement categories.

The boards tentatively decided to retain two fair value measurement categories, that is fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL), and to define the business model that results in measurement at FVOCI and to retain FVPL as the residual measurement category.

Twelve IASB and seven FASB members agreed.

The boards tentatively decided to clarify the application guidance for the FVPL measurement category, specifically that:

a. financial instruments managed and evaluated on a fair value basis or held for trading purposes must be measured at FVPL; and
b. for financial assets that are measured at FVPL, the entity makes decisions based on changes in—and with the objective of realising—the assets’ fair value.

Twelve IASB members agreed. Seven FASB members agreed.

In addition, the IASB tentatively decided to clarify that the activities that the entity undertakes in the FVPL measurement category are primarily focused on fair value information, and key management personnel uses that fair value information to assess the assets’ performance and to make decisions accordingly. In addition, another indicator is that the users of the financial statements are primarily interested in fair value information of these assets in order to assess the entity's performance.

Twelve IASB members agreed.

The boards also tentatively decided to clarify the application guidance for the FVOCI measurement category, as set out in paragraph 76(a)–(c), (d)(ii)–(d)(iv) and (e) of the observer notes for Agenda Paper 6C, specifically that:

a. in the FVOCI business model, managing financial assets both to collect contractual cash flows and for sale is the outcome of the way in which financial assets are managed to achieve a particular objective rather than the objective itself; that is, the assets classified in FVOCI are managed to achieve the business model objectives (such as liquidity management, interest rate risk management, yield management and duration mismatch management) by both collecting contractual cash flows and selling;
b. both collection of contractual cash flows and realisation of cash flows through selling are integral to the performance of the FVOCI business model and there is no threshold for the frequency or amount of sales in the FVOCI business model; and
c. particular activities are typically aimed at achieving the FVOCI business model objectives.

Twelve IASB members agreed. Seven FASB members agreed.

The IASB also tentatively decided to clarify that for financial assets in the hold to collect and sell business model, the key performance indicators include the contractual interest yield, impairment charges and fair value changes.

Twelve IASB members agreed.

In addition, the FASB tentatively decided to remove the guidance in the FASB's Exposure Draft requiring an individual asset for which an entity has, at initial recognition, not yet determined whether it will hold the financial asset to collect contractual cash flows or sell to be measured at FVOCI.

Seven FASB members agreed.

Next steps

The boards will consider the other aspects of their respective proposals at future meetings.

Leases

The FASB and the IASB discussed a summary of the feedback received in response to the proposed FASB Accounting Standards Update, *Leases (Topic 842)*, and the IASB Exposure Draft *Leases*.

The boards also discussed the plans for redeliberating the issues raised by stakeholders.

The boards did not make any decisions.

Financial Instruments: Impairment

The IASB met on 21 November 2013 to continue its redeliberations on the clarifications and enhancements to the proposals in the Exposure Draft *Financial Instruments: Expected Credit Losses* (the Exposure Draft). Whether the IASB will proceed to finalise the Exposure Draft will be decided at a future meeting.

At this meeting, the IASB considered the following specific aspects of the proposals in the Exposure Draft:

a. loan commitment and financial guarantee contracts;
b. financial assets measured at fair value through other comprehensive income (FVOCI);
c. calculation and presentation of interest revenue for financial instruments with objective evidence of impairment;
d. purchased of originated credit-impaired financial assets;
e. the simplified approach for trade receivables and lease receivables; and
f. the mandatory effective date of IFRS 9 *Financial Instruments*.

Agenda Paper 5A: Loan commitments and financial guarantee contracts

The IASB discussed whether expected credit losses for revolving credit facilities should consider the contractual ability to cancel the undrawn commitment or whether that contractual ability does not necessarily limit an entity's exposure to credit losses to the contractual notice period. The IASB tentatively decided that for revolving credit facilities:

a. expected credit losses, including expected credit losses on the undrawn facility, should be estimated for the period over which an entity is exposed to credit risk and over which future drawdowns cannot be avoided.

   Thirteen IASB members agreed with this decision. One IASB member was not present.

b. expected credit losses on the undrawn facility should be discounted using the same effective interest rate, or an approximation thereof, used to discount the expected credit losses on the drawn facility.

   Fifteen IASB members agreed with this decision. One IASB member was not present.

c. the provision for the expected credit losses on the undrawn facility should be presented together with the loss allowance for expected credit losses on the drawn facility if an entity cannot separately identify the expected credit losses associated with the undrawn facility.

   Thirteen IASB members agreed with this decision. One IASB member was not present.

On the basis of this tentative decision, expected credit losses on other loan commitments and financial guarantee contracts will still be based on considering the contractual obligation to extend credit as proposed in the Exposure Draft. However, the IASB requested the staff to perform further analysis to determine whether these tentative decisions should apply to a wider scope of loan commitments and financial guarantee contracts.

Agenda Paper 5B: Financial assets measured at FVOCI

The IASB tentatively confirmed the proposals in the Exposure Draft for the treatment of expected credit losses for financial assets measured at FVOCI and not to introduce any relief from recognising 12-month expected credit losses.

Furthermore, the IASB agreed to clarify in drafting that expected credit losses reflect management's expectations of credit losses. However, when considering the 'best available information' in estimating expected credit losses, management should consider observable market information about credit risk.

Fourteen IASB members agreed with this decision. One IASB member was not present.

Agenda Paper 5C: Interest revenue: Calculation and presentation

The IASB tentatively confirmed the proposals in the Exposure Draft for the calculation and presentation of interest revenue.

Fifteen IASB members agreed with this decision. One IASB member was not present.

Agenda Paper 5D: Purchased or originated credit-impaired financial assets

The IASB tentatively confirmed the proposals in the Exposure Draft for the treatment of purchased or originated credit-impaired financial assets. In addition, the IASB agreed to provide more guidance on originated credit-impaired financial assets.

Fourteen IASB members agreed with this decision. One IASB member was not present.

Agenda Paper 5E: Simplified approach for trade receivables and lease receivables

The IASB tentatively confirmed the proposals in the Exposure Draft for the simplified approach for trade receivables and lease receivables. The IASB also noted that the applicability of accounting policy choice for lease receivables to different populations of those receivables would be further considered when the Leases project is finalised.

Thirteen IASB members agreed with this decision. One IASB member was not present.

Agenda Paper 5F: Mandatory effective date of IFRS 9

The IASB noted that it will only be able to determine the mandatory effective date after redeliberations on the impairment and classification and measurement requirements have been completed and the issue date of the final version of IFRS 9 is known.

However, to assist entities in their planning, the IASB tentatively decided that the mandatory effective date of IFRS 9 will be no earlier than annual periods beginning on or after 1 January 2017.

Fourteen IASB members agreed with this decision. One IASB member was not present.

Post-implementation Review of IFRS 3 *Business Combinations*

The staff informed the IASB about the results of the consultations and activities undertaken during Phase I of the Post-implementation Review (PiR) of IFRS 3 *Business Combinations*.

Input gathered during Phase I

The staff informed the IASB that the input gathered during Phase I of the review had been classified into two broad categories:

a. issues dealing with the usefulness of the information provided by the Standard; and
b. practical implementation issues.

In addition, the staff had assigned a degree of relevance (high, medium, low) to each of those issues and had provided a rationale for that ranking in order to assist in the selection of the areas and questions that are to be included in the Request for Information (RfI).

Proposed questions for the RfI

The IASB considered the tentative set of areas and individual questions to be included in the RfI and provided feedback to the staff.

Next steps

The staff plan to bring to the December 2013 meeting an updated version of the tentative questions for the IASB's consideration.

Rate-regulated activities: research project

The IASB continued its discussion about the features of rate regulation that should form the focus of the Discussion Paper that the IASB intends to publish for this project. The IASB considered an analysis of the rights and obligations arising from a particular rate-setting mechanism that requires a 'true-up' adjustment to be made to the rate:

- for differences between estimated and actual amounts of cost and/or revenue for previous periods; and/or
- to award a bonus or impose a penalty for meeting or failing to meet a performance target.

The IASB was not asked to make any decisions but provided advice to the staff on a range of issues that should be addressed in the development of the Discussion Paper.

Next steps

Discussions on the Rate-regulated Activities research project will continue at the January board meeting.

Work plan—projected targets as at 26 November 2013

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Interim IFRS		Target IFRS		
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 Q4	2014 Q1	2014 Q2	2014 Q3
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)		Next steps TBD		
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			

Post-implementation reviews	2013 Q4	2014 Q1	2014 Q2	2014 Q3
IFRS 3 *Business Combinations*		Publish Request for Information		

Conceptual Framework

Next major project milestone

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

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.

Research projects on which preliminary work has commenced:	
Business combinations under common control	
Disclosure Initiative	
Discount rates	
Emissions trading schemes	
Extractive activities	
Financial instruments with characteristics of equity	
Intangible assets	
Research projects on which preliminary work is not expected to commence until after the 2015 agenda consultation:	
Income taxes	
Post-employment benefits (including pensions)	
Share-based payments	
Research projects for which the timing of preliminary work has not yet been confirmed:	
Equity method of accounting	
Financial reporting in high inflationary economies	
Foreign currency translation	
Liabilities—amendments to IAS 37	

Completed IFRS

Major projects	Issued date	Effective date	Year that post-implementation review is	

			expected to start*	
Amendments to IAS 19 *Employee Benefits*	June 2011	1 January 2013	2015	
IFRS 10 *Consolidated Financial Statements*	May 2011	1 January 2013	2016	
IFRS 11 *Joint Arrangements*	May 2011	1 January 2013	2016	
IFRS 12 *Disclosure of Interests in Other Entities*	May 2011	1 January 2013	2016	
IFRS 13 *Fair Value Measurement*	May 2011	1 January 2013	2015	
IFRS 9 *Financial Instruments*	November 2013	TBD (available for application)	TBC	

*A Post-implemention 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**	

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	1 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	1 January 2013	
***Disclosures-Offsetting Financial Assets and Financial Liabilities* (Amendments to IFRS 7)**	December 2011	1 January 2013	
***Government Loans* (Amendments to IFRS 1)**	March 2012	1 January 2013	
***Offsetting Financial Assets and Financial Liabilities* (Amendments to IAS 32)**	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	
IFRS 9 ***Financial Instruments*****—Mandatory Effective Date of IFRS 9 and Transition Disclosures**	December 2011	TBD	
Defined Benefit Plans: Employee Contributions **(Amendments to IAS 19)**	November 2013	1 July 2014	
Interpretations	**Issued date**	**Effective date**	
IFRIC 20 ***Stripping Costs in the Production Phase of a Surface Mine***	October 2011	1 January 2013	
IFRIC 21 ***Levies***	May 2013	1 January 2014	

Agenda consultation

Next major project milestone

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

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