

## Update on IASB's work plan



This issue of *In the Headlines* summarises the status of the current projects of the IASB<sup>1</sup>. It reflects significant discussions up to and including those that took place at the March 2011 meetings.

Recent meetings focused on the following priority projects:

- fair value measurement
- financial instruments
- leases
- revenue recognition
- consolidation, including disclosures
- insurance contracts.

The project summaries that follow set out a description of each project and the major areas of existing IFRSs that may be affected by the project. IASB documents related to the project are identified and the latest estimates of timing noted.

### Highlights

- IASB completed projects on amendments to income taxes standard and management commentary.
- Release of final standards for the following projects deferred to Q2 2011:
  - consolidation including disclosures
  - joint ventures
  - fair value measurement
  - amendments to statement of comprehensive income.
- Release of final standards for the following projects deferred to H2 2011:
  - financial instruments
  - insurance contracts
  - leases
  - revenue recognition.

## Appendix I – Project summaries

Project	Overview	Timing
<p><b>Annual improvements</b></p> <p>(Amendments to existing standards)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>This project involves the IASB accumulating throughout a year what it believes are non-urgent but necessary improvements to IFRSs and then processing these amendments collectively.</p> <p>Generally, an exposure draft of proposed improvements is published in the third or fourth quarter of each year, with an associated comment period of 90 days, and the final improvements are published in the first half of the following year. However, in light of other priorities the timing for the release of the next ED of proposed improvements has been postponed.</p> <p><b>Status and recent discussions/decisions</b></p> <p>At the January 2011 meeting the IASB agreed tentatively to replace the objective of financial statements contained in IAS 1 <i>Presentation of Financial Statements</i> with the objective of financial reporting, and to replace the definition of understandability to be consistent with the definition in the Conceptual Framework that was published in September 2010.</p> <p>These proposed amendments are expected to be included in the annual improvements cycle for 2010 – 2012.</p>	<p>Q2 2011 – ED expected.</p> <p>Timing of final improvements to be considered after June 2011.</p>
<p><b>Common control transactions</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to provide guidance on the acquisition of businesses amongst entities under common control. This project is intended to provide guidance in respect of the consolidated and separate financial statements of the acquiring entity. The project also is expected to examine the accounting for de-mergers.</p> <p><b>Status and recent discussions/decisions</b></p> <p>Work on this project has been suspended while the IASB completes its work on other projects.</p>	<p>Agenda decision expected during 2011.</p>

These project summaries are based mainly on information available from the [IASB's website](#).

Project	Overview	Timing
<p><b>Conceptual framework</b></p> <p>(New framework)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to develop a common conceptual framework for financial reporting that is both complete and internally consistent. The framework will be built upon the existing conceptual frameworks of the IASB and the FASB<sup>2</sup> (the Boards) and will provide a basis for the development of future accounting standards by the Boards.</p> <p>The Boards have identified the following phases of this project:</p> <p>A: Objectives and qualitative characteristics  B: Elements and recognition  C: Measurement  D: Reporting entity  E: Presentation and disclosure  F: Purpose and status  G: Application to not-for-profit entities  H: Remaining issues, if any.</p> <p><b>Status and recent discussions/decisions</b></p> <p>The Boards do not expect to continue their deliberations on phase D until after June 2011. Discussion papers for phase B <i>Elements</i> or phase C <i>Measurement</i> have not yet been published and the Boards do not expect to consider these phases until after June 2011.</p>	<p>Q3 2010 – phase A completed.</p> <p>March 2010 – ED on phase D published (refer <i>Briefing Sheet – Issue 176</i>).</p> <p>July 2010 – Comment period closed.</p> <p>Timing of final chapter on phase D to be considered after June 2011.</p> <p>The expected timing of phases B, C, E, F, G and H are yet to be determined by the Boards.</p>
<p><b>Consolidation: replacement of IAS 27 and SIC-12</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to develop a basis for consolidation that would apply to all entities, including special-purpose entities (SPEs). The IASB intends to issue a new consolidation standard replacing IAS 27 <i>Consolidated and Separate Financial Statements</i> and SIC-12 <i>Consolidation – Special Purpose Entities</i>.</p> <p><b>Status and recent discussions/decisions</b></p> <p>At its recent meetings the IASB discussed the feedback received on the staff draft of the forthcoming standard that was published in September 2010. The IASB decided to require an effective date of 1 January 2013 for the forthcoming standard with early application permitted in limited circumstances.</p> <p>The IASB expects to publish a final standard in the second quarter of 2011.</p>	<p>December 2008 – ED published (refer <i>Briefing Sheet – Issue 119</i>).</p> <p>March 2009 – comment period closed.</p> <p>September 2010 – staff draft published (refer <i>Briefing Sheet – Issue 214</i>).</p> <p>Q2 2011 – final standard expected.</p>

Project	Overview	Timing
<b>Consolidation: replacement of IAS 27 and SIC-12 (continued)</b>	<p><b>Convergence issues</b></p> <p>The IASB has completed deliberations on the consolidation model separately from the FASB, and has published a staff draft of their proposed changes to the IFRS consolidation requirements. The FASB held two public roundtable meetings to listen to the views of, and obtain information from, interested US constituents about the IASB's proposed consolidation standard.</p> <p>The FASB considered US stakeholder input and decided not to proceed with an exposure draft that is consistent with the IASB's published requirements.</p> <p>The FASB directed the staff to draft a proposed Accounting Standards Update to amend the guidance for distinguishing whether a decision maker is an agent or a principal. The amendments in the proposed Update would also eliminate the deferral of Statement 167 (Accounting Standards Update 2010-10) for interests in certain entities.</p>	
<b>Consolidation: disclosures</b>  (New standard)	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to create a single standard that sets out all disclosure requirements in relation to:</p> <ul style="list-style-type: none"> <li>• a reporting entity's involvement with other entities when such involvement is not already governed by the financial instruments standards, including subsidiaries, associates, joint ventures and joint operations; and</li> <li>• the nature and risks arising from structured entities that are not controlled by the reporting entity.</li> </ul> <p><b>Status and recent discussions/decisions</b></p> <p>The IASB expects to publish a final standard in the second quarter of 2011.</p>	<p>December 2008 – ED published (refer <i>Briefing Sheet – Issue 119</i>).</p> <p>Q2 2011 – final standard expected.</p>
<b>Consolidation: investment entities</b>  (Amendments to new standard)	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to create a single standard that sets out all requirements in relation to consolidation by an investment entity of its controlled entities, and consolidation of investment entities by a parent. This project supplements the main consolidation project.</p> <p><b>Status and recent discussions/decisions</b></p> <p>This project has not been discussed by the Boards since June 2010. However, despite having completed their deliberations, the Boards decided to delay publication of the exposure draft until the second quarter of 2011.</p>	<p>Q2 2011 – ED expected.</p> <p>Timing of the final standard to be considered after June 2011.</p>

Project	Overview	Timing
<p><b>Earnings per share</b></p> <p>(Amendments to existing standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to simplify the earnings per share calculation and reduce differences between IAS 33 <i>Earnings per Share</i> and US ASC Topic 260 <i>Earnings per Share</i>.</p> <p><b>Status and recent discussions/decisions</b></p> <p>In the light of other priorities, the IASB has stopped work on this project and will consider whether to restart this project at a later date.</p>	<p>August 2008 – ED published (refer <i>Briefing Sheet – Issue 101</i>).</p> <p>December 2008 – comment period closed.</p> <p>Agenda decision expected during 2011.</p>
<p><b>Emissions trading schemes</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to address the accounting for emissions trading schemes.</p> <p><b>Status and recent discussions/decisions</b></p> <p>Tentative decisions to date:</p> <ul style="list-style-type: none"> <li>• purchased and allocated allowances should be recognised as assets;</li> <li>• a liability exists when the allowances are allocated because the definition of a liability is met; the obligating event in this case is the allocation of allowances;</li> <li>• the measurement of the allocated allowances and the liability for the allocation should be consistent; the Boards expressed support for an approach that measures the allocated allowances and liability for the allocation initially and subsequently at fair value; and</li> <li>• purchased allowances should be measured initially and subsequently at fair value.</li> </ul> <p>The Boards have not reached a consensus on the timing of recognition.</p> <p>In light of other priorities the Boards expect to resume discussions on this project after June 2011.</p>	<p>Timing of ED to be considered after June 2011.</p>

Project	Overview	Timing
<p><b>Extractive activities</b></p> <p>(Research project)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this research project is to develop an internationally acceptable approach to accounting issues in the extractive industry. The research project team is considering all issues associated with accounting for upstream extractive activities, with a focus on the definition, recognition, measurement and disclosure of reserves/ resources, including the accounting for exploration costs. The resulting standard would replace IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</p> <p><b>Status and recent discussions/decisions</b></p> <p>In 2011, the IASB expects to make a decision on whether the extractive activities project should be added to its agenda.</p>	<p>April 2010 – DP published (refer <i>Briefing Sheet – Issue 179</i>).</p> <p>July 2010 – comment period closed.</p> <p>Agenda decision expected during 2011.</p>
<p><b>Fair value measurement guidance</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to develop principles and measurement guidance to support fair value measurement requirements under IFRSs.</p> <p><b>Status and recent discussions/decisions</b></p> <p>At its December 2010 meeting the IASB decided tentatively to apply the fair value measurement disclosure requirements to the fair value-based measurements, e.g. fair value less costs to sell, and to require certain disclosures on assets for which an impairment loss is recognised and the recoverable amount is determined on the basis of fair value less costs to sell under IAS 36 <i>Impairment of Assets</i>.</p> <p>At its March 2011 meeting the IASB decided tentatively that the effective date of the final standard should be 1 January 2013 with early application permitted.</p> <p>The IASB expects to publish a final standard in the second quarter of 2011.</p>	<p>May 2009 – ED published (refer <i>Briefing Sheet – Issue 137</i>).</p> <p>June 2010 – IASB limited scope re-exposure and FASB ED published (refer <i>Briefing Sheet – Issue 195</i>).</p> <p>August 2010 – staff draft issued.</p> <p>September 2010 – comment period closed.</p> <p>Q2 2011 – final standard expected.</p>

Project	Overview	Timing
<p><b>Financial instruments: balance sheet offsetting</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to converge IFRSs and US GAAP in relation to balance sheet netting of derivative contracts and other financial instruments that can result in material differences in financial reporting by financial institutions. This work was announced as a separate project to address stakeholder concerns including those of the Basel Committee on Banking Supervision and the Financial Stability Board.</p> <p><b>Status and recent discussions/decisions</b></p> <p>In January 2011, ED/2011/1 <i>Offsetting Financial Assets and Financial Liabilities</i> was published. The Boards will revisit this project after the comment period has closed.</p>	<p>January 2011 – ED published (refer <i>In the Headlines – Issue 2011/02</i>).</p> <p>April 2011 – comment period closed.</p> <p>H2 2011 – final standard expected.</p>
<p><b>Financial instruments: replacement of IAS 39</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to develop a less complex and more principles-based standard on the accounting for financial instruments. The project involves a fundamental reconsideration of the accounting for financial instruments and will result in a final standard (IFRS 9 <i>Financial Instruments</i>) replacing IAS 39. The first version of IFRS 9 was released in November 2009 and addressed only the requirements for classification and measurement of financial assets. In October 2010 additions to IFRS 9 on derecognition and financial liability accounting were issued. Subsequent additions to this standard covering the requirements for impairment and hedging will be made in the future with the aim of issuing a final standard in entirety by the second half of 2011.</p> <p><b>Status and recent discussions/decisions</b></p> <p><b>Classification and measurement</b></p> <p>On 28 October 2010 the IASB added the requirements for classification and measurement of financial liabilities to IFRS 9.</p> <p>This completes the first phase of the IASB’s project to replace IAS 39.</p>	<p><b>Classification and measurement</b></p> <p>November 2009 – final standard on classification and measurement of financial assets issued (refer <i>Briefing Sheet – Issue 160</i>).</p> <p>May 2010 – ED on fair value option for financial liabilities published (refer <i>Briefing Sheet – Issue 184</i>).</p> <p>July 2010 – comment period closed.</p> <p>October 2010 – Additions to IFRS 9 on derecognition and financial liability accounting issued (refer <i>Briefing Sheet – Issue 219</i>)</p>

Project	Overview	Timing
<p><b>Financial instruments: replacement of IAS 39 (continued)</b></p>	<p><b>Impairment</b></p> <p>In January 2011, Supplement to ED/2009/12 <i>Financial Instruments: Amortised Cost and Impairment</i> was published. The Boards will revisit this project after the comment period has closed.</p> <p><b>Hedging</b></p> <p>In December 2010, ED/2010/13 <i>Hedge Accounting</i> was published.</p> <p>At the March 2011 meeting the IASB discussed summaries of the outreach activities undertaken and the comment letters on the exposure draft. The comment letters broadly supported the approach of addressing hedge accounting comprehensively and agreed with the principles-based approach proposed in the exposure draft.</p> <p>The exposure draft addresses general hedge accounting. The IASB is continuing to redeliberate macro or portfolio hedge accounting.</p> <p><b>Convergence issues</b></p> <p>The Boards have reached differing conclusions on a number of important technical issues. Significant differences exist between the requirements of IFRS 9 and the proposals in the FASB's comprehensive exposure draft released in May 2010 in relation to the classification and measurement of financial assets and liabilities.</p> <p>The FASB began redeliberations on its proposed classification and measurement model in December 2010. The FASB will continue to refine its classification and measurement model.</p> <p>The IASB's proposed revisions in its exposure draft that was published in December 2010 would result in further differences in hedge accounting guidance compared to the FASB's current and proposed hedge accounting guidance. During the redeliberations of its proposals in the discussion paper that was published in February 2011, the FASB will consider feedback that the IASB received on its exposure draft.</p>	<p><b>Impairment</b></p> <p>November 2009 – ED on impairment published (refer <i>Briefing Sheet – Issue 159</i>).</p> <p>June 2010 – comment period closed.</p> <p>January 2011 – Supplement to ED published (refer <i>In the Headlines – Issue 2011/04</i>).</p> <p>April 2011 – comment period closed.</p> <p>H2 2011 – final standard expected.</p> <p><b>Hedging</b></p> <p>December 2010 – ED published (refer <i>Briefing Sheet – Issue 225</i>).</p> <p>March 2011 – comment period closed.</p> <p>H2 2011 – final standard expected.</p>
<p><b>Financial instruments with characteristics of equity: replacement of IAS 32</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to enhance and simplify the financial reporting requirements for financial instruments with characteristics of equity.</p> <p><b>Status and recent discussions/decisions</b></p> <p>The Boards were developing proposals for publication as an exposure draft as a starting point. However, in October 2010 the Boards decided that in light of other priorities, this project will be suspended temporarily. The Boards expect to resume discussions on this project after June 2011.</p>	<p>February 2008 – DP published (refer <i>Briefing Sheet – Issue 88</i>).</p> <p>Timing of ED to be considered after June 2011.</p>

Project	Overview	Timing
<p><b>Financial statement presentation: replacement of IAS 1 and IAS 7</b></p> <p>(New standard)</p>	<p>Joint project <input checked="" type="checkbox"/> MoU project <input checked="" type="checkbox"/></p> <p><b>Objective</b></p> <p>The objective of this project is to enhance the usefulness of information presented in the primary financial statements. The project represents a fundamental reconsideration of the contents of the primary financial statements.</p> <p>Phase A of the project focused on convergence issues related to the content of primary financial statements and comparative data. In order to converge the existing requirements of US GAAP and IFRS, the revised version of IAS 1 was published in September 2007.</p> <p>Phase B of the project focuses on more detailed issues related to the presentation of information on the face of the financial statements, including principles for aggregating information and required totals and subtotals. The proposals would create significant changes when compared to currently effective requirements.</p> <p><b>Status and recent discussions/decisions</b></p> <p>As part of additional outreach activities before finalising and publishing an exposure draft, in July 2010 the Boards published a staff draft of the exposure draft on financial statement presentation. Although the Boards have had initial discussions on the results and findings of the outreach activities related to the staff draft, deliberations on this project have been deferred until after June 2011.</p>	<p>October 2008 – DP on phase B published (refer <i>Briefing Sheet – Issue 110</i>).</p> <p>July 2010 – staff draft of ED published (refer <i>Briefing Sheet – Issue 198</i>).</p> <p>Timing of ED to be considered after June 2011.</p>
<p><b>Financial statement presentation: statement of comprehensive income</b></p> <p>(Amendment to existing standard)</p>	<p>Joint project <input checked="" type="checkbox"/> MoU project <input checked="" type="checkbox"/></p> <p><b>Objective</b></p> <p>The objective of this project is to make it easier to compare statements of comprehensive income prepared under IFRS and US GAAP and identify differences between IFRS and US GAAP statements of comprehensive income.</p> <p><b>Status and recent discussions/decisions</b></p> <p>The IASB expects to publish a final amendment in the second quarter of 2011.</p>	<p>May 2010 – ED published (refer <i>Briefing Sheet – Issue 186</i>).</p> <p>September 2010 – comment period closed.</p> <p>Q2 2011 – final amendment expected.</p>

Project	Overview	Timing
<p><b>Government grants: replacement of IAS 20</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to resolve inconsistencies between the recognition requirements of IAS 20 <i>Accounting for Government Grants and Disclosure of Government Assistance</i> and the <i>Framework for the Preparation and Presentation of Financial Statements</i> (Framework). There are a number of interactions between this project and other projects.</p> <p><b>Status and recent discussions/decisions</b></p> <p>Work on this project has been deferred pending the progress of other related projects such as Revenue Recognition and Emissions Trading Schemes.</p>	<p>Agenda decision expected during 2011.</p>
<p><b>Income taxes</b></p> <p>(Amendments to existing standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The IASB decided that the objective of the income taxes project should be to resolve problems in practice under IAS 12 without change to its fundamental approach or further divergence from US GAAP. This project will be completed with the publishing of several amendments to IAS 12. The IASB may consider a fundamental review of the accounting for income taxes after 2011.</p> <p><b>Status and recent discussions/decisions</b></p> <p>In December 2010, <i>Deferred Tax: Recovery of Underlying Assets – Amendments to IAS 12</i> was published.</p> <p>In light of other priorities, the Boards expect to resume discussions on this project after June 2011.</p>	<p>September 2010 – ED published (refer <i>Briefing Sheet – Issue 209</i>).</p> <p>November 2010 – comment period closed.</p> <p>December 2010 – final amendment to IAS 12 published (refer <i>Briefing Sheet – Issue 229</i>).</p> <p>Timing of further EDs to be considered after June 2011.</p>

Project	Overview	Timing
<p><b>Insurance contracts phase II: replacement of IFRS 4</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to develop a comprehensive model for accounting for insurance contracts. Any resulting standard would replace IFRS 4 <i>Insurance Contracts</i>.</p> <p><b>Status and recent discussions/decisions</b></p> <p>At their recent meetings the Boards discussed feedback received in the comment letters on the IASB's exposure draft on insurance contracts that was published in July 2010. The areas in which a significant change or clarification tentatively has been made to the proposals include the following (refer <i>IFRS – Insurance Newsletter Issues 11 – 14</i>):</p> <ul style="list-style-type: none"> <li>• financial guarantees</li> <li>• recognition</li> <li>• contract boundaries</li> <li>• future cash flows</li> <li>• acquisition costs</li> <li>• discount rates.</li> </ul> <p>The IASB expects to publish a final standard in the second half of 2011.</p> <p><b>Convergence issues</b></p> <p>In light of differing views from the IASB, the FASB issued a discussion paper on 17 September 2010 that seeks further input from constituents. The discussion paper includes a comparison between the IASB's proposals as contained in its exposure draft, the FASB's preliminary views, and a comparison of each of those with existing US GAAP for insurance reporting.</p> <p>At their recent joint meetings, the Boards discussed comments received on the IASB's exposure draft and the FASB's discussion paper and made a number of tentative decisions to eliminate the differences in their respective proposed guidance.</p>	<p>July 2010 – ED published (refer <i>Briefing Sheet – Issue 203</i>).</p> <p>November 2010 – comment period closed.</p> <p>H2 2011 – final standard expected.</p>
<p><b>Joint ventures: replacement of IAS 31 and SIC-13</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to reduce differences between IFRSs and US GAAP in the accounting for joint ventures.</p> <p><b>Status and recent discussions/decisions</b></p> <p>The IASB decided to require an effective date of 1 January 2013 for the forthcoming standard with early application permitted in limited circumstances.</p> <p>The IASB expects to publish a final standard in the second quarter of 2011.</p>	<p>September 2007 – ED published (refer <i>Briefing Sheet – Issue 76</i>).</p> <p>January 2008 – comment period closed.</p> <p>Q2 2011 – final standard expected.</p>

Project	Overview	Timing
<p><b>Leases: replacement of IAS 17</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to reconsider the accounting requirements for leasing arrangements. The resulting standard is expected to replace IAS 17 <i>Leases</i>.</p> <p><b>Status and recent discussions/decisions</b></p> <p>At their recent meetings the Boards discussed feedback received in the comment letters on the joint exposure draft on leases that was published in August 2010. The Boards redeliberated many aspects of the proposals including definition of lease, types of lease and lease term. The Boards are performing outreach activities on the impact that the key tentative decisions made recently would have in practice (refer <i>IFRS – Leases Newsletter Issues 3 and 4</i>).</p> <p>The IASB expects to publish a final standard in the second half of 2011.</p>	<p>March 2009 – DP published (refer <i>Briefing Sheet – Issue 129</i>).</p> <p>August 2010 – ED published (refer <i>Briefing Sheet – Issue 205</i>).</p> <p>December 2010 – comment period closed.</p> <p>H2 2011 – final standard expected.</p>
<p><b>Liabilities: replacement of IAS 37</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to align the criteria in IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> for recognising a liability with those in other IFRSs, as well as to eliminate some differences between IAS 37 and US GAAP. The resulting standard is expected to replace IAS 37.</p> <p><b>Status and recent discussions/decisions</b></p> <p>In September 2010, the IASB decided to continue with this project. However, given the numerous issues raised by constituents it was decided that a further exposure draft in its entirety is required before a new standard can be issued. In light of other priorities and the need to give proper consideration to the matters raised by constituents, it is not expected that this project will be discussed before the second half of 2011.</p>	<p>August 2005 – ED published (refer <i>Briefing Sheet – Issue 31</i>).</p> <p>January 2010 – limited scope ED published (refer <i>Briefing Sheet – Issue 168</i>).</p> <p>February 2010 – near final draft of expected standard published.</p> <p>May 2010 – comment period closed.</p> <p>Timing of revised ED to be considered after June 2011.</p>

Project	Overview	Timing
<p><b>Management commentary</b></p> <p>(New guidance)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to provide a basis for the development of management commentary. It offers a non-binding framework and limited guidance on its application, which could be adapted to the legal and economic circumstances of individual jurisdictions. There will be no resultant IFRS and it will not be a requirement to comply with this guidance in order to state compliance with IFRSs.</p> <p><b>Status and recent discussions/decisions</b></p> <p>The IASB published IFRS practice statement for <i>Management Commentary</i> in December 2010.</p>	<p>June 2009 – ED published (refer <i>Briefing Sheet – Issue 141</i>).</p> <p>March 2010 – comment period closed.</p> <p>December 2010 – final practice statement published (refer <i>Briefing Sheet – Issue 226</i>).</p>
<p><b>Post-employment benefits: defined benefit plans</b></p> <p>(Amendments to existing standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to revisit fundamentally the accounting for employee benefits under IAS 19 <i>Employee Benefits</i>. A key consequence of this project will be eliminating the corridor smoothing mechanisms currently available under IAS 19.</p> <p><b>Status and recent discussions/decisions</b></p> <p>The IASB continued redeliberations of the exposure draft on defined benefit plans that was published in April 2010. The issues discussed include:</p> <ul style="list-style-type: none"> <li>• settlements and curtailments</li> <li>• presentation of remeasurements</li> <li>• risk-sharing features in defined benefit plans</li> <li>• disclosure</li> <li>• effective date and transition requirements.</li> </ul> <p>The IASB expects to publish the final amendments in the second quarter of 2011.</p>	<p>April 2010 – ED published (refer <i>Briefing Sheet – Issue 182</i>).</p> <p>September 2010 – comment period closed.</p> <p>Q2 2011 – final amendment expected.</p>
<p><b>Post-employment benefits: termination benefits</b></p> <p>(Amendment to existing standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>This project is a supplemental project to the liabilities project, which has the objective of aligning the criteria in the proposed amendments to IAS 37 for recognising a liability with those in other IFRSs, as well as to eliminate differences between IAS 37 and US GAAP.</p> <p><b>Status and recent discussions/decisions</b></p> <p>The IASB intends to finalise the amendments for termination benefits, together with the amendments arising from the exposure draft on defined benefit plans.</p>	<p>August 2005 – ED published (refer <i>Briefing Sheet – Issue 31</i>).</p> <p>Q2 2011 – final amendment expected.</p>

Project	Overview	Timing
<p><b>Rate-regulated activities</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to develop guidance as to whether rate regulation imposed by regulatory bodies or governments may give rise to an asset or a liability.</p> <p><b>Status and recent discussions/decisions</b></p> <p>The IASB has decided to include in its public consultation on its future agenda a request for views on what form of future project, if any, should be developed to address rate-regulated activities.</p>	<p>July 2009 – ED published (refer <i>Briefing Sheet – Issue 146</i>).</p> <p>November 2009 – comment period closed.</p> <p>Agenda decision expected during 2011.</p>
<p><b>Revenue recognition: replacement of IAS 11, IAS 18 and several IFRICs</b></p> <p>(New standard)</p>	<p>Joint project  MoU project </p> <p><b>Objective</b></p> <p>The objective of this project is to develop a single comprehensive principle-based model for revenue recognition that can be applied by all entities in different industries. The resulting standard would replace IAS 11 <i>Construction Contracts</i> and IAS 18 <i>Revenue</i> as well as several IFRICs related to revenue recognition.</p> <p><b>Status and recent discussions/decisions</b></p> <p>At their recent meetings the Boards continued redeliberations of the joint exposure draft on revenue from contracts with customers that was published in June 2010. The issues discussed include:</p> <ul style="list-style-type: none"> <li>• segmenting a contract</li> <li>• combining contracts</li> <li>• identifying separate performance obligations</li> <li>• determining the transfer of goods and services</li> <li>• breakage and prepayments for future goods or services</li> <li>• onerous contracts</li> <li>• revenue recognition for services</li> <li>• accounting for contract modifications</li> <li>• accounting for warranties.</li> </ul> <p>The IASB expects to publish a final standard in the second half of 2011.</p>	<p>December 2008 – DP published (refer <i>Briefing Sheet – Issue 120</i>).</p> <p>June 2010 – ED published (refer <i>Briefing Sheet – Issue 192</i>).</p> <p>October 2010 – comment period closed.</p> <p>H2 2011 – final standard expected.</p>

## Appendix II – New standards and amendments to existing standards – Forthcoming documents

Second quarter 2011	Second half 2011
Annual improvements – <b>ED</b>	* Financial instruments: hedging – <b>final standard</b>
* Consolidation: replacement of IAS 27 and SIC-12 – <b>final standard</b>	* Financial instruments: impairment – <b>final standard</b>
** Joint ventures – <b>final standard</b>	* Financial instruments: balance sheet offsetting – <b>final standard</b>
Consolidation: disclosures – <b>final standard</b>	*** Insurance contracts phase II – <b>final standard</b>
*** Consolidation: investment entities – <b>ED</b>	* Leases – <b>final standard</b>
* Fair value measurement guidance – <b>final standard</b>	* Revenue recognition – <b>final standard</b>
* Financial statement presentation: statement of comprehensive income – <b>final amendment</b>	
** Post-employment benefits: defined benefit plans – <b>final amendment</b>	
Post-employment benefits: termination benefits – <b>final amendment</b>	

- \* Major MoU projects
- \*\* Other MoU projects
- \*\*\* Other joint projects between the FASB and IASB

Note: Forthcoming documents for which the timing is yet to be determined are not included in the above table.

### Abbreviations

- 1 IASB: International Accounting Standards Board
- 2 FASB: US Financial Accounting Standards Board

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