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2015 IFRS UPDATE - THE CALM BEFORE THE STORM
NOVEMBER 13, 2015

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MYPDR 2015

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SPEAKER'S BIOGRAPHY



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ARMAND CAPISCIOLTO, CPA, CA, CPA (MICHIGAN) NATIONAL ACCOUNTING STANDARDS PARTNER

Armand Capisciolto is BDO's National Accounting Standards Partner. He obtained his Chartered Accountant designation in 1998 and his US Certified Public Accountant designation in 2004. His responsibilities as part of the National A&A team include supporting engagement teams in dealing with complex accounting issues, developing BDO's courses and tools related to accounting and financial reporting, and writing internal and external accounting and financial reporting publications.

Armand is a member of BDO International's IFRS Working Party and the Canadian Accounting Standards Board. He is also a former member of the AcSB's IFRS Advisory Committee and IFRS Discussion Group, the Public Sector Accounting Standards Board's Public Sector Accounting Discussion Group and CICA Continuing Education - Financial Reporting and Governance Working Group.

SPEAKER'S BIOGRAPHY



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SONA RUPARELIA, CPA, CA, MAcc, CPA (ILLINOIS) NATIONAL A&A SENIOR MANAGER

Sona Ruparelia earned her Chartered Accountant designation in December 2000. She also holds a Masters of Accounting degree from the University of Waterloo and a Certified Public Accountant qualification from Illinois. She has held positions in both the public accounting sector and in the private sector.

Sona is a Senior Manager in the BDO National Accounting Standards group. Her primary responsibilities include providing technical guidance under IFRS and she is responsible for writing publications, delivering live training, and responding to consultations on complex accounting issues. She has worked with the ICAO and the CICA over the years through the delivery of live technical courses, preparation of training materials, and volunteering for the annual tax clinics.

NEW, AMENDED, AND REVISED STANDARDS EFFECTIVE FOR PERIODS BEGINNING ON OR AFTER

January 1, 2015
(effective for December 31, 2015 year ends)

NEW, AMENDED, AND REVISED STANDARDS

DEFINED BENEFIT PLANS: EMPLOYEE CONTRIBUTIONS (1/2)

- Amendment to IAS 19 Employee Benefits
- Effective for periods on or after July 1, 2014 (early adoption permitted)
- Amendment
 - accounting for contributions from employees or third parties to an entity's defined benefit plan, when the requirement for such contributions is set out in the formal terms of the defined benefit plan

Expedient applies	Expedient does not apply
Contributions based on a fixed percentage of the employee's salary that does not depend on the employee's number of years of service	Contributions where the percentage contributed increases relative to the number of years of service (e.g. higher contributions in the later years)
Rationale In proportion to salary and therefore considered to be independent of number of years of service	Rationale Higher contributions linked not only to current year service but also to service in other years

NEW, AMENDED, AND REVISED STANDARDS

DEFINED BENEFIT PLANS: EMPLOYEE CONTRIBUTIONS (2/2)

Contributions not subject to practical expedient

- Should the back-end loading test in IAS 19.70 be performed on the
 - net benefit; or the
 - gross benefit (with the negative benefit being dealt with separately)?
- The amendments introduce IAS 19.93(a), which clarifies:
 - If the amount of contributions is dependent on the number of years of service (i.e. expedient does not apply), an entity shall attribute the contributions to periods of service using the same attribution method as described in IAS 19.70 for the gross benefit.

IFR Bulletin

2013/26

<http://www.bdointernational.com/Services/Audit/IFRS/IFR-Bulletins-2011/IFRB%202013/IFRB-2013-26.pdf>

NEW, AMENDED, AND REVISED STANDARDS

ANNUAL IMPROVEMENTS TO IFRSS (2010-2012 CYCLE) - (1/3)

- Effective prospectively for grant dates/business combinations on/after July 1, 2014 (early adoption permitted)
- Definition of vesting conditions (IFRS 2)
- The amendments clarify the definition of vesting conditions by defining
 - Performance condition - A vesting condition that requires an implicit or explicit specified period of service to be completed and the achievement of specific performance targets during this period.
 - Service condition - A vesting condition that requires the completion of a specified period of service during which services are provided.
- Accounting for contingent consideration in a business combination (IFRS 3)
 - Contingent consideration is assessed as either being a liability or an equity instrument on the basis of IAS 32.
 - Contingent consideration that is not classified as equity is to be remeasured to fair value at each reporting date with changes being reported in profit or loss.

NEW, AMENDED, AND REVISED STANDARDS

ANNUAL IMPROVEMENTS TO IFRSS (2010-2012 CYCLE) - (2/3)

- Aggregation of operating segments (IFRS 8)
- Additional disclosures when operating segments have been aggregated
 - Description of the aggregated operating segments
 - Economic indicators that segments share similar economic characteristics
- Reconciliation of total reportable segment's assets to the entity's assets
 - Only when a measure of segment assets is regularly provided to the CODM
- Annual periods beginning on/after July 1, 2014 (earlier application permitted)
- Short-term receivables and payables (IFRS 13)
- Short-term receivables/payables with no stated interest rate can still be measured at the invoice amount without discounting, if the effect is immaterial
- Amendments only made to the Basis for Conclusions so no effective date

NEW, AMENDED, AND REVISED STANDARDS

ANNUAL IMPROVEMENTS TO IFRSS (2010-2012 CYCLE) - (3/3)

- Annual periods beginning on/after July 1, 2014 (earlier application permitted)
- Revaluation method - proportionate restatement of accumulated depreciation/amortisation (IAS 16 and IAS 38)
- Adjustment of the net carrying amount on change to revaluation model, either:
 - Adjustment of the gross carrying amount consistent with net carrying amount. The accumulated depreciation/amortisation is then adjusted to equal the difference between the gross and net carrying amounts; or
 - Accumulated depreciation/amortisation eliminated against gross carrying amount.
- Key management personnel (IAS 24)
- Entities that provide key management personnel services to a reporting entity (i.e. management entities), are a related party of the reporting entity.
 - Separate disclosure of expenses for key management personnel services
 - No requirement to set out disclosures by categories as set out in IAS 24.17 (key management personnel compensation)

NEW, AMENDED, AND REVISED STANDARDS

ANNUAL IMPROVEMENTS TO IFRSS (2011-2013 CYCLE) - (1/2)

- Meaning of effective IFRSs (IFRS 1)
- Clarification in Basis for Conclusions that an entity has option to use either:
 - IFRSs mandatory at the reporting date, or
 - One or more IFRSs that are not yet mandatory but early application is allowed
- Scope exceptions for joint ventures (IFRS 3)
 - Applies prospectively for annual periods beginning on/after July 1, 2014 (earlier application permitted)
 - Joint arrangements defined under IFRS 11 are scoped out of IFRS 3
 - The exception applies to the accounting by the joint arrangement in its own financial statements and not to the accounting by the parties for their interest in the joint arrangement
- Application of the scope exception for joint ventures
 - Joint arrangement defined under IFRS 11 are excluded from the scope of IFRS 3
 - The exception applies to the accounting by the joint arrangement in its own financial statements and not to the accounting by the parties for their interest in the joint arrangement

NEW, AMENDED, AND REVISED STANDARDS

ANNUAL IMPROVEMENTS TO IFRSS (2011-2013 CYCLE) - (2/2)

- Annual periods beginning on/after July 1, 2014 (earlier application permitted)
- Scope of IFRS 13.52 - Portfolio exemption (IFRS 13)
- Portfolio exemption applies to all contracts within the scope of IAS 39, regardless of whether they meet the definition of financial assets or liabilities in IAS 32. Applied prospectively from the start of the annual period in which IFRS 13 was adopted.
- Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property (IAS 40)
- Determining whether an acquisition of an investment property is a business combination requires consideration of the specific requirements in IFRS 3 in relation to:
 - Whether the acquisition of investment property is the acquisition of an asset, a group of assets, or a business combination
 - Distinguishing between investment property and owner-occupied property

**NEW, AMENDED, AND REVISED STANDARDS EFFECTIVE FOR
PERIODS BEGINNING AFTER JANUARY 1, 2015**
(effective for year ends after December 31, 2015)

NEW, AMENDED, AND REVISED STANDARDS

ANNUAL IMPROVEMENTS TO IFRSS (2012-2014 CYCLE) - (1/4)

Effective for periods beginning on or after January 1, 2016 (early adoption permitted)

- Change in methods of disposal (IFRS 5)
 - Reclassification of an asset or disposal group from ‘held for sale’ to being ‘held for distribution to owners’ or vice versa is considered to be a continuation of the original plan
 - Upon reclassification, an entity must apply the classification, presentation and measurement requirements of IFRS 5.
 - If asset is no longer classified as held for distribution to owners, the guidance of IFRS 5 for assets that cease to be classified as held for sale apply.
 - The amendment is required to be applied prospectively.

NEW, AMENDED, AND REVISED STANDARDS

ANNUAL IMPROVEMENTS TO IFRSS (2012-2014 CYCLE) - (2/4)

Servicing contracts (IFRS 7)

- Servicing contracts - Continuing involvement exists if the servicer has a future interest in the performance of the transferred financial asset, e.g.
 - Variable servicing fee dependent on the amount of the transferred asset that is ultimately recovered
 - Fixed servicing fee that may not be paid in full because of non-performance of the transferred financial asset.
- Retrospective application of the amendment is required although the amendment does not need to be applied for any period beginning before the annual period in which the entity first applies the amendments

NEW, AMENDED, AND REVISED STANDARDS

ANNUAL IMPROVEMENTS TO IFRSS (2012-2014 CYCLE) - (3/4)

Applicability of the offsetting amendments in condensed interim financial statements (IFRS 7)

- The application of the amendments Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) do not need to be applied to interim periods.
- However, in some cases they might be required to confirm with IAS 34, if their omission would make the interim financial statements misleading.
- Retrospective application in accordance with IAS 8.

Discount rate - regional market issue (IAS 19)

- High quality corporate bonds need to be denominated in the same currency as the related benefits.
- The amendments are applied from the earliest comparative period presented, with initial adjustments recognised in retained earnings.

NEW, AMENDED, AND REVISED STANDARDS

ANNUAL IMPROVEMENTS TO IFRSS (2012-2014 CYCLE) - (4/4)

Meaning of ‘elsewhere in the interim financial report’ (IAS 34)

- Additional disclosures can be presented in
 - the notes or
 - elsewhere in the interim report.
- Cross-references are required if additional disclosures are presented ‘elsewhere’ in the interim financial report, e.g. in the
 - management commentary or the
 - risk report of an entity.
- If the disclosures are in a separate document, that document needs to be available on the same terms and at the same time as the interim report itself.
- Retrospective application in accordance with IAS 8

NEW, AMENDED, AND REVISED STANDARDS

SALE OR CONTRIBUTION OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATE OR JOINT VENTURE (IFRS 10) - (1/2)

- Clarification of the accounting for transactions where a parent sells a subsidiary (loss of control) that does not constitute a business as defined in IFRS 3, to an associate or a joint venture accounted for using the equity method.
- Retained interest: Treatment of gain or loss from remeasurement:
 - Associate or joint venture (equity method):
Gain or loss is presented in profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The remainder is eliminated against the carrying amount of the investment in the associate or joint venture.
 - Fair value in accordance with IFRS 9 :
Gain or loss is presented in full in profit or loss.
- Prospective application in annual periods beginning on after January 1, 2016 (Note: IASB currently is revisiting the issue)
- IASB has issued an exposure draft deferring the effective date indefinitely, however early adoption is still permitted

NEW, AMENDED, AND REVISED STANDARDS

SALE OR CONTRIBUTION OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATE OR JOINT VENTURE (IFRS 10) - (2/2)

Parent

20% Associate 100% Subsidiary

Example

Parent

20% Associate 30% Associate (former subsidiary)

70%

Consideration received	CU210
Carrying amount net assets of subsidiary	CU100
Fair value investment retained in former subsidiary	CU90
30% of carrying amount of net assets of subsidiary	CU30
Gain from remeasurement at fair value	CU60

Solution

Sale of 70% interest

Gain: CU210 - (70% x CU100) = CU140

Profit or loss: 80% x CU140 = CU112

Against investment: 20% x CU140 = CU28

Remeasurement retained direct investment

Gain: CU90 - (30% x CU100) = CU60

Profit or loss: (70% x 80%) x CU60 = CU34

Against investment: 44% x CU60 = CU26

NEW, AMENDED, AND REVISED STANDARDS

ACCOUNTING FOR ACQUISITIONS OF INTERESTS IN JOINT OPERATIONS (IFRS 11)

- An entity has to apply all of the principles of IFRS 3 when it acquires an interest in a joint operation that constitutes a business as defined by IFRS 3
- As part of the amendment, two illustrative examples were added, being:
 - Example 7: Accounting for acquisitions of interests in joint operations in which the activity constitutes a business
 - Example 8: Contributing the right to use know-how to a joint operation in which the activity constitutes a business.
- Amendment to IFRS 1: The exemption from applying IFRS 3 to past business combinations does also apply to past acquisitions of interests in joint operations in which the activity of the joint operation constitutes a business.
- The amendments are effective for annual periods beginning on or after January 1, 2016 with early application permitted.

NEW, AMENDED, AND REVISED STANDARDS

CLARIFICATION OF ACCEPTABLE METHODS OF DEPRECIATION AND AMORTISATION (IAS 16 AND IAS 38)

IAS 16 - <i>Property, Plant and Equipm.</i>	IAS 38 - <i>Intangible Assets</i>
Prohibition of revenue-based depreciation	Rebuttable presumption that revenue-based amortisation is not appropriate
Revenue generated by the use of an item of PPE generally reflects factors other than the consumption of the economic benefits of the item, such as: <ul style="list-style-type: none"> • Other inputs and processes • Selling activities and changes in sales • Volumes and prices • Inflation 	Rebuttable in limited circumstances where either: <ul style="list-style-type: none"> • Intangible asset is expressed as a measure of revenue, or • Revenue and consumption of economic benefits are highly correlated
	Predominant limiting factor as starting point for appropriate amortisation method: <ul style="list-style-type: none"> • Contractual term for the right to use the asset • Number of units allowed to be produced • Fixed amount of revenue allowed to be received
Effective for annual periods beginning on or after January 1, 2016, early application permitted.	

IFR Bulletin

2014/07

<http://www.bdointernational.com/Services/Audit/IFRS/IFR-Bulletins-2011/IFRB%202014/IFRB-2014-07.pdf>

NEW, AMENDED, AND REVISED STANDARDS

EQUITY METHOD IN SEPARATE FINANCIAL STATEMENTS (IAS 27)

- The amendment introduces the option for an entity to apply the equity method in separate financial statements to its investments in:
 - subsidiaries,
 - joint ventures, and
 - associates.
- The selected approach needs to be applied for each category of investment
- Impact on presentation
 - Share of profit or loss and OCI is presented with a corresponding adjustment to the carrying amount of the equity accounted investment.
 - Dividends received are deducted from the carrying amount of the equity accounted investment and are not presented in profit or loss.
- The amendments are effective for periods beginning on or after January 1, 2016. Early application is permitted.

NEW, AMENDED, AND REVISED STANDARDS

AGRICULTURE: BEARER PLANTS (IAS 16 AND IAS 41)

- Extension of the scope of IAS 16 to included bearer plants
- A bearer plant is defined as a living plant that:
 - Is used in the production process of agricultural produce
 - Is expected to bear produce for more than one period
 - Has a remote likelihood of being sold (except scrap sale)
- Bearer plants are accounted for in accordance with IAS 16 using either
 - The cost model; or
 - The revaluation model.
- Agricultural produce remains within the scope of IAS 41 Agriculture.
- Effective for periods beginning on or after 1 January 2016. Early application is permitted.

IFR Bulletin

2014/11

<http://www.bdointernational.com/Services/Audit/IFRS/IFR-Bulletins-2011/IFRB%202014/IFRB-2014-11.pdf>



NEW, AMENDED, AND REVISED STANDARDS

FINANCIAL INSTRUMENTS (IFRS 9)

- IFRS 9, Financial Instruments was issued in July 2014
- Mandatorily Effective January 1, 2018 (early adoption permitted)
- Supersedes:
 - IAS 39, Financial Instruments: Recognition & Measurement; and
 - Previous versions of IFRS 9

IFRS 9 FINANCIAL INSTRUMENTS

IAS 39 - IFRS 9 DIFFERENCES

<u>Topic Area</u>	<u>Extent of Changes</u>
Recognition & Derecognition	No Changes
Classification & Measurement - Financial Assets	Significant Changes
Impairment of Financial Assets	Significant Changes
Classification & Measurement - Financial Liabilities	One Change
Hedge Accounting	Significant Changes

NEW, AMENDED, AND REVISED STANDARDS FINANCIAL INSTRUMENTS (IFRS 9)

IFRS 9 Publications

- IFRS 9 At a Glance
- Various IFRB's
- Need to Know's
 - Classification & Measurement
 - Impairment of Financial Assets
 - Hedge Accounting
- IFRS 9 In Practice

POLLING QUESTION #5

Do you expect a significant change in the way your company accounts for financial instruments under IFRS 9 as compared to IAS 39?

- a) Yes
- b) No
- c) Unsure

NEW, AMENDED, AND REVISED STANDARDS

REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15)

- IFRS 15 Revenue from Contracts with Customers was issued on 28 May 2014
- Supersedes previous IASs, SICs and IFRICs related to revenue

IAS 18 *Revenue*

IAS 11 *Construction Contracts*

IFRIC 13 *Customer Loyalty Programmes*

IFRIC 15 *Agreements for the Construction of Real Estate*

IFRIC 18 *Transfers of Assets from Customers*

SIC-31 *Revenue - Barter Transactions Involving Advertising Services*



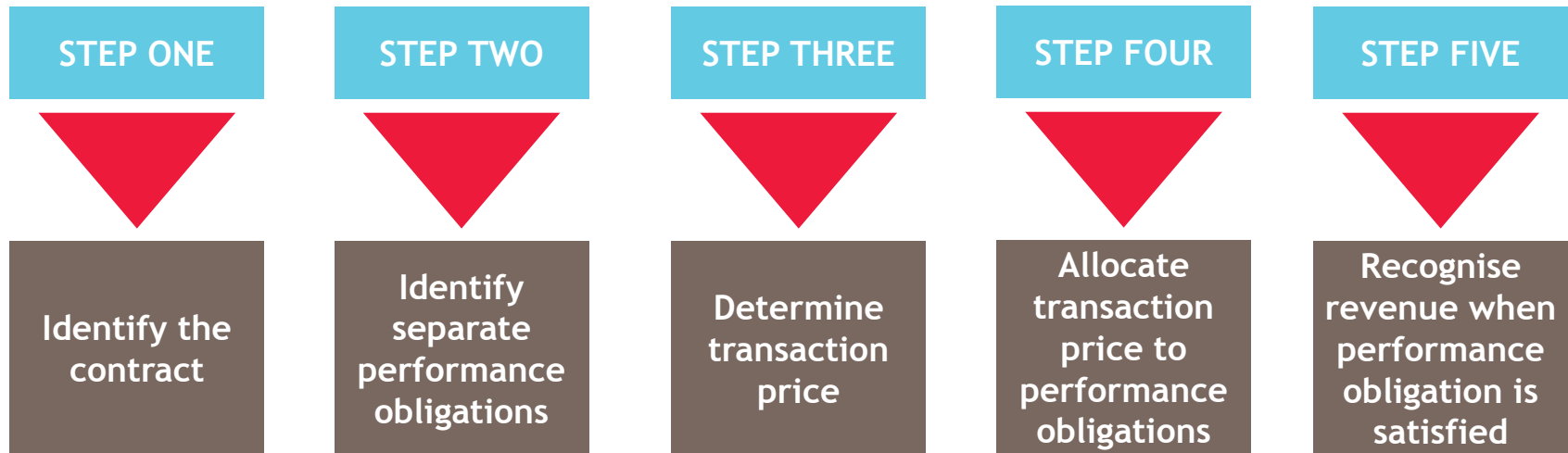
IFRS 15
***Revenue from
Contracts with
Customers***

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

CORE PRINCIPLE

Recognise revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity *expects to be entitled* in exchange for those goods or services

Steps to apply the core principle are:



IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS UPDATE

- FASB has approved and proposed a number of amendments
 - Deferred mandatory effective date to January 1, 2018
 - Will permit early adoption in 2017
- IASB will be proposing less extensive amendments
 - Deferred the mandatory effective date to January 1, 2018
 - Early adoption continues to be permitted
- The result
 - The standards will no longer be converged
 - Very limited scenarios where GAAP differences will emerge

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS RESOURCES

- IFRS 15 At a Glance
- Various IFRB's
- IFRS 15 Need to Know
- IFRS In Practice
 - IFRS 15 - Revenue for Contracts with Customers
 - IFRS 15 - Revenue form Contracts with Customers: Transition
 - More on there way!
- IFRS Industry Publications

NEW, AMENDED, AND REVISED STANDARDS

REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15)



INTERNATIONAL

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REVENUE RECOGNITION

In May 2014, the International Accounting Standards Board published IFRS 15 *Revenue from Contracts with Customers*. IFRS 15 contains comprehensive guidance for accounting for revenue and will replace existing requirements which are currently set out in a number of Standards and Interpretations.

This means that for many entities, the timing and profile of revenue recognition will change. In some areas, the changes will be very significant and will require careful planning, including for commercial effects.

This page has been set up to serve as a central source for revenue related publications of BDO International and provides the following sections:

- [Publications on IFRS 15](#)
- [Industry specific publications](#)
- [Webcasts](#)
- [Links](#)





POLLING QUESTION #6

Will IFRS 15 have a significant impact on how and when your company recognizes revenue?

- a) Yes
- b) No
- c) Unsure

IFRS 14 REGULATORY DEFERRAL ACCOUNTS

IFRS 14 REGULATORY DEFERRAL ACCOUNTS

- Allows scoped-in entities to continue using local GAAP for Regulatory Deferral Accounts
- Would require separate recognition and presentation in:
 - Statement of financial position
 - Statement of profit or loss and other comprehensive income.
- Includes guidance regarding other IFRSs that need to be considered:
 - IAS 10, IAS 12, IAS 28, IAS 33, and IAS 36
 - IFRS 3, IFRS 5, IFRS 10, and IFRS 12.
- Effective for periods beginning on or after January 1, 2016. Earlier application permitted.
- Canadian entities adopting IFRS for the first time in 2015, will early adopt IFRS 14.

IFR Bulletin

2014/01

<http://www.bdointernational.com/Services/Audit/IFRS/IFR-Bulletins-2011/IFRB%202014/IFRB-2014-01.pdf>

IFRS 14 REGULATORY DEFERRAL ACCOUNTS

INTERACTION WITH OTHER STANDARDS - APPLICATION GUIDANCE

Standard	Description of Interaction
IAS 10 Events after the Reporting Period	Estimates used in determining RDAB.
IAS 28 Investments in Associates and Joint Ventures & IFRS 10 Disclosure of Interests in Other Entities	Consistent accounting policies between investors, associates and JVs (IAS 28), and parent + subsidiary (IFRS 10) related to RDAB.
IAS 33 Earnings per Share	Presentation of basic and diluted earnings per share excludes net movement in RDAB.
IFRS 3 Business Combinations	If an entity is not applying IFRS 14, cannot recognize RDAB that were included in acquiree.
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	RDABs and the net movements that are part of a discontinued operation should be presented separately (not single line approach of IFRS 5).
IFRS 12 Disclosure of interests in Other Entities	Disclosures of RDAB and net movements in material subsidiaries, joint ventures and associates. Disclosure of portion of gain or loss that is attributable to derecognising RDAB in the former subsidiary when control is lost.

IFRS 14 REGULATORY DEFERRAL ACCOUNTS

INTERACTION WITH IAS 12 INCOME TAXES

Scope

The scope of IAS 12 extends to RDABs.

Rates Increase for Recovery

An entity may recognize a RDAB in relation to income tax. If the recognition of such a RDAB in itself results in a temporary difference, deferred tax related to temporary difference would need to be recognized.

Presentation not in Accordance with IAS 12

An entity either presents the RDAB / movement:

- Within the line item related to the RDA; or
- In a separate line item alongside the line item related to the RDA.

IFRS 14 REGULATORY DEFERRAL ACCOUNTS

INTERACTION WITH IAS 36 IMPAIRMENT OF ASSETS

Impairment of RDAB

An entity shall apply previous CGAAP impairment guidance for RDAB.

The requirements of IAS 36 are not applicable.

Impairment of CGUs containing RDAB

IAS 36 is applied to determine whether RDABs are to be included in a CGU for the impairment test.

If it is determined that an impairment loss should be recognized, the related requirements of IAS 36 are applied.

IFRS 14 REGULATORY DEFERRAL ACCOUNTS

PRESENTATION

- Regulatory deferral account balances are presented as separate line items on the balance sheet and income statement
- Total of all regulatory deferral debit balances (assets) must be separated from the total of all regulatory deferral credit balances (liabilities)
- Net movements must be presented net of deferred income taxes on the balance sheet and the income statement
- Not classified as current or non-current
- Goal is to enhance comparability for entities that already apply IFRS

IFRS 14 REGULATORY DEFERRAL ACCOUNTS DISCLOSURE

- A description of the rate-regulated activities and regulatory rate-setting process
- An explanation of how the future recovery or reversal of each class of regulatory deferral account balance is affected by risks and uncertainties, such as demand and regulatory risks
- The basis on which regulatory deferral account balances are recognized and measured initially and subsequently
- A reconciliation of the carrying amount of each class of regulatory deferral account balance as of the beginning and end of the reporting period

THE IASB'S DISCLOSURE INITIATIVE



DISCLOSURE INITIATIVE PROJECTS

Implementation

- Proposed Amendments to IAS 7 (Reconciliation of liabilities from financing activities)

Research

- Materiality
- Principles of Disclosure
- Standards-level review of disclosure

Completed

- Amendments to IAS 1

DISCLOSURE INITIATIVE

AMENDMENTS TO IAS 1

- Materiality
 - Aggregation or disaggregation should not obscure useful information
 - Materiality applies to each of the primary financial statements, the notes and each specific disclosure required by IFRSs.
- Line items in primary financial statements
 - Additional guidance for line items to be presented in primary statements and new requirements regarding the use of subtotals.
- Notes to the financial statements
 - Determination of the order of the notes should include consideration of understandability and comparability of financial statements. It has been clarified that the order listed in IAS 1.114(c) is illustrative only.
- Accounting policies
 - Removal of the examples in IAS 1.120 in respect of income taxes and foreign exchange gains and losses.
 - Removal of the requirement to provide a “summary” of accounting policies.



DISCLOSURE INITIATIVE

AMENDMENTS TO IAS 1

- Potential benefits of reordering notes to financial statements:
- Highlight most relevant information and what is really important
- Remove duplication
- Identification of boilerplate disclosures that can be improved/removed
- Financial statements are easier to follow/read.

THE IASB WORK PLAN

IASB WORK PLAN

MAJOR PROJECTS - AS OF OCTOBER 28, 2015

	Current activity	Within 3 months	Within 6 months	After 6 months
Upcoming Standards				
Insurance Contracts	Analysis			Issue IFRS
Leases	Drafting IFRS	Issue IFRS		
Published Exposure Drafts				
Conceptual Framework [Comment period ends 25 November 2015]	Public Consultation		Decide Project Direction	
Upcoming Exposure Drafts				
Disclosure Initiative—Changes in Accounting Policies and Estimates	Analysis			Publish ED
Disclosure Initiative—Materiality Practice Statement	Public Consultation			Decide Project Direction
Published Discussion Papers				
Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging	Analysis			Publish DP
Rate-regulated Activities	Analysis			Publish DP
Upcoming Discussion Papers				
Disclosure Initiative—Principles of Disclosure	Analysis		Publish DP	

IASB WORK PLAN

IMPLEMENTATION PROJECTS - AS OF OCTOBER 28, 2015

	Current activity	Within 3 months	Within 6 months	After 6 months
Narrow-scope amendments				
Annual Improvements 2014–2016	Drafting ED	Publish ED		
Annual Improvements 2015–2017	Analysis			Publish ED
Clarifications Arising from the Post-implementation Review (Proposed amendments to IFRS 8)	Drafting ED	Publish ED		
Clarifications of Classification and Measurement of Share-based Payment Transactions (Proposed amendments to IFRS 2)	Analysis	Decide Project Direction		
Clarifications to IFRS 15 Revenue from Contracts with Customers: Issues Emerging from TRG Discussions [Comment period ends 28 October 2015]	Public Consultation	Decide Project Direction		
Classification of Liabilities (Proposed amendment to IAS 1) [Comment period ended 10 June 2015]	Public Consultation	Decide Project Direction		
Different effective dates of IFRS 9 and the new insurance contracts Standard	Drafting ED	Publish ED		
Disclosure Initiative—Amendments to IAS 7	Drafting IFRS	Issue IFRS		
Effective Date of Amendments to IFRS 10 and IAS 28	Public Consultation	Decide project direction		
Fair Value Measurement: Unit of Account	Analysis			Issue IFRS
Recognition of Deferred Tax Assets for Unrealised Losses (Proposed amendments to IAS 12)	Drafting IFRS		Issue IFRS	
Remeasurement at a Plan Amendment, Curtailment or Settlement / Availability of a Refund of a Surplus from a Defined Benefit Plan (Proposed amendments to IAS 19 and IFRIC 14) [Comment period ended 19 October 2015]	Analysis		Decide Project Direction	
Remeasurement of previously held interests - obtaining control or joint control in a joint operation that constitutes a business (Proposed amendments to IFRS 3 and IFRS 11)	Drafting ED		Publish ED	
Transfers of Investment Property (Proposed amendments to IAS 40)	Drafting ED	Publish ED		

IASB WORK PLAN

INTERPRETATIONS - AS OF OCTOBER 28, 2015

	Current activity	Within 3 months	Within 6 months	After 6 months
Draft IFRIC Interpretation—Uncertainty over Income Tax Treatment [Comment period ends 19 January 2016]	Public consultation			Decide Project Direction
Draft IFRIC Interpretation—Foreign Currency Transactions and Advance Consideration [Comment period ends 19 January 2016]	Public consultation			Decide Project Direction

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