



IFRS NEWS IN BRIEF

PUBLICATIONS AND ANNOUNCEMENTS

One-year deferral of IFRS 15's effective date

On 22 July 2015, the IASB confirmed a one-year deferral of the effective date of the new revenue Standard, i.e. to 1 January 2018 (with earlier application still permitted). The deferral (to be issued formally as an amendment to IFRS 15 in September 2015) gives entities more time to implement the new Standard in view of the forthcoming clarifications, and keeps the effective date aligned with US GAAP.

For more information: <http://bit.ly/1W3n5yW>

Proposals for clarifying amendments to IFRS 15 open for comment until 28 October 2015

On 30 July 2015, the IASB published an exposure draft aimed at aiding the transition to the new revenue Standard by adding practical expedients, and clarifying how to identify the performance obligations in a contract, to determine whether a party to a transaction is the principal or the agent, and to determine whether a licence provides the customer with a right to access or a right to use the entity's intellectual property.

For more information: <http://bit.ly/1laH4SO>

Review of aspects of the IFRS Foundation's Constitution open for comment until 30 November 2015

On 7 July 2015, the Trustees of the IFRS Foundation (the IASB's oversight body) published a Request for Views aimed at further enhancing the structure and effectiveness of the organisation to respond to an ever-changing reporting landscape, with focus on three main areas: maintenance of the relevance of IFRS, consistency of the application of IFRS, and governance and financing.

For more information: <http://bit.ly/1Mcrqwu>

IFRS INTERPRETATIONS COMMITTEE LATEST DECISIONS SUMMARY

The following is a summarised update on some of the main discussions or provisional decisions taken by the IFRS Interpretations Committee (IC) at its meeting on 14 July 2015.

For more detailed and comprehensive information on the Board's discussions: <http://bit.ly/1HsIMgC>

Topics retained on the IC's agenda with no decisions taken

- » Whether a previously held interest in the assets and liabilities of a joint operation is remeasured to fair value when the investor's acquisition of an additional interest results in the investor becoming a joint operator (i.e. obtaining joint control) in the joint operation (IFRS 11).

Topics to be followed by recommendations to the IASB

- » Deliberation of comments received on the exposure draft *Clarification and Measurement of Share-based Payment Transactions (Proposed amendments to IFRS 2)*.
- » Clarification on whether funds borrowed specifically to finance the construction of a qualifying asset, the construction of which has now been completed, must be included as part of general borrowings for the purposes of determining the capitalisation rate for other qualifying assets (IAS 23).

Topics not taken on the IC's agenda

- » Whether a purchaser who agrees to make significant prepayments to the supplier of raw materials under long-term contracts should accrete interest on long-term prepayments by recognising interest income, resulting in an increase in the cost of inventories and, ultimately, the cost of sales.
- » Whether deferred taxes arising due to the effect of exchange rate changes on the tax bases of non-current assets and liabilities that are determined in a currency that is different from an entity's functional currency are recognised through profit or loss.
- » Whether the future minimum funding requirement for contributions to a defined benefit plan to cover future service would apply for only the fixed period that had been agreed between the entity and the pension trustees (IFRIC 14).

INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB) LATEST DECISIONS SUMMARY

The following is a summarised update on the main provisional decisions taken by the IASB at its meeting on 20-23 July 2015. In addition, the Board held education sessions and discussions on due processes and other topics (e.g. IFRS taxonomy, agenda consultation, rate-regulated activities, macro hedging, financial instruments with characteristics of equity, etc.).

For more detailed and comprehensive information on the Board's discussions: <http://bit.ly/1MRrsca>

Insurance Contracts (proposed amendments to IFRS 4)

Entities applying IFRS 9 in full in conjunction with IFRS 4 prior to the new forthcoming insurance Standard would be allowed to exclude from profit or loss (P/L) and recognise in other comprehensive income (OCI) the difference between (i) the amounts that would be recognised in P/L under IFRS 9 and (ii) the amounts recognised in P/L under IAS 39, only for assets that relate to insurance activities and that were previously (or would have been) classified at amortised cost or as available-for-sale under IAS 39 and are classified as at fair value through profit or loss under IFRS 9.

Annual Improvements to IFRSs 2014-2016 Cycle (exposure draft due Q4/2015)

The scope of IFRS 12 would be clarified to specify that the Standard's disclosure requirements, except those in paragraphs B10-B16 (i.e. summarised financial information for the investee), apply to interests that are classified as held for sale or discontinued operations in accordance with IFRS 5.

UPCOMING COMMENT DEADLINES

19 October 2015	ED/2015/5 - Remeasurement on a Plan Amendment, Curtailment or Settlement/Availability of a Refund from a Defined Benefit Plan (Proposed amendments to IAS 19 and IFRIC 14)
26 October 2015	ED/2015/3 - Conceptual Framework for Financial Reporting
26 October 2015	ED/2015/4 - Updating References to the Conceptual Framework (Proposed amendments to IFRS 2, IFRS 3, IFRS 4, IFRS 6, IAS 1, IAS 8, IAS 34, SIC-27 and SIC-32)
28 October 2015	ED/2015/6 - Clarifications to IFRS 15
30 November 2015	Request for Views - Trustees' Review of Structure and Effectiveness: Issues for the review

As the IASB and IFRS IC will next meet in September and there is no significant activity expected in August, our next *IFRS News in Brief* will be issued beginning of October 2015

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