



# IFRS NEWS IN BRIEF

## Publications & Announcements

### Revised proposals for the impairment of financial instruments (IFRS 9) open for comment until 5 July 2013

On 7 March 2013, the IASB published a revised exposure draft with a view to a more forward-looking provisioning model for impairments of financial assets, designed to recognise credit losses on a more timely basis. The proposals are a simplified version of the expected credit loss approach previously agreed with the FASB (ED/2009/12 supplemented by ED/2011/1).

For more information: <http://tinyurl.com/cpow3jk>

### Proposal for amendments to accounting for defined benefit plans (IAS 19) open for comment until 25 July 2013

On 25 March 2013, the IASB published an exposure draft with a view to permitting the recognition of contributions from employees or third parties that are set out in the formal terms of a defined benefit plan, as a reduction in the service cost in the same period in which they are payable if, and only if, they are linked solely to the employee's service rendered in that period (eg contributions that are a fixed percentage of an employee's salary where the percentage does not depend on the employee's number of years of service to the employer).

For more information: <http://tinyurl.com/c3eddze>

### Request for information on rate regulation open for comment until 30 May 2013

On 28 March 2013, the IASB published a Request for Information seeking comments to identify a range of rate-regulatory schemes to help determine the scope of the reactivated Rate-regulated Activities research project.

For more information: <http://tinyurl.com/cj6h9yn>

## IFRS Interpretations Committee Latest Decisions Summary

During the Committee's meeting on 12 - 13 March 2013, no provisional decisions were taken on forthcoming interpretations. However, various issues were discussed, amongst which:

- Variable payments for the separate acquisition of PPE and intangible assets: a narrow-scope project to amend IAS 16, IAS 38, IAS 39 and IFRIC 12 would be recommended to the IASB.
- Clarification that reverse acquisitions that do not constitute a business, not being in the scope of IFRS 3, are share-based payments to be accounted for under IFRS 2.
- Clarification that the calculation of a defined benefit obligation under IAS 19 should use a pre-tax (vs post-tax) discount rate.
- Issues recommended for consideration by the IASB: whether a liability should be recognised for the mandatory purchases of non-controlling interests in business combinations (IFRS 3), guidance on share-based payment awards settled net of tax withholdings, modification of a share-based payment from cash-settled to equity-settled (IFRS 2), etc.

For more information: <http://media.ifrs.org/2013/IFRIC/March/IFRIC-Update-March-2013.htm>

## International Accounting Standards Board Latest Decisions Summary

The following is a summarised update on the main provisional decisions taken by the IASB at its meeting on 19 – 21 March 2013.

For more information: <http://media.ifrs.org/2013/IASB/March/IASB-Update-March-2013.html>

### Fair value measurement (IFRS 13) - Unit of account (exposure draft due Q2/2013)

- The unit of account for investments in subsidiaries, joint ventures and associates would be the investment as a whole.
- The fair value measurement (FVM) of an investment composed of quoted financial instruments would be the product of the quoted price of the individual financial instrument multiplied by the quantity of instruments held.
- The FVM of cash-generating units (CGUs) for impairment testing when those CGUs correspond to a quoted entity would be the product of their quoted price multiplied by the quantity of instruments held.

### Conceptual framework (discussion paper due Q2/2013)

The forthcoming discussion paper would propose:

- Guidance on presentation and disclosure.
- Principles for determining whether a recognised item of income or expense should be presented in profit or loss or in other comprehensive income and, in the latter case, whether it should be recycled.
- Guidance to help distinguish constructive obligations (that result in a liability) from economic compulsion (that does not result in a liability) and more general principles for assessing the substance of contractual rights and obligations.
- Factors that should be considered in constructing a cash-flow-based measure.

### IFRS for SMEs - Comprehensive Review 2012–2014 (exposure draft due Q2-Q3/2013)

The Board started discussing some of the issues raised in its 2012 Request for Information Comprehensive Review of the IFRS for SMEs, such as the scope of the IFRS for SMEs, a framework for considering how the IFRS for SMEs should be updated in the light of new and revised Standards that have been issued since it was first published, etc. However, no decisions for amending the Standard were made.

## Upcoming Comment Deadlines

23 April 2013	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)
23 April 2013	ED/2012/7 - Acquisition of an Interest in a Joint Operation (proposed amendment to IFRS 11)
30 May 2013	RFI - Rate Regulation
5 July 2013	ED/2013/3 - Financial Instruments: Expected Credit Losses
25 July 2013	ED/2013/4 - Defined Benefit Plans: Employee Contributions (proposed amendments to IAS 19)

## RSM International Comment Letters

Recently, RSM International submitted the following comment letters to the IASB:

- 19 March 2013 - ED/2013/1 Recoverable Amount Disclosures for Non-Financial Assets (proposed amendments to IAS 36)  
<http://tinyurl.com/bpndbco>
- 22 March 2013 - ED/2012/3 Equity Method: Share of Other Net Asset Changes (proposed amendments to IAS 28)  
<http://tinyurl.com/cyszwhb>
- 28 March 2013 - ED/2012/4 Classification and Measurement: Limited Amendments to IFRS 9 (proposed amendments to IFRS 9 (2010))  
<http://tinyurl.com/cmcsfcz>
- 1 April 2013 - ED/2012/5 Clarification of Acceptable Methods of Depreciation and Amortisation (proposed amendments to IAS 16 and IAS 38)  
<http://tinyurl.com/ck38o5f>

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Please contact Ellen Costa in the RSM Executive Office for more information on IFRS services provided by RSM member firms:

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