



IFRS NEWS IN BRIEF

Publications & Announcements

Proposal for an interim IFRS on rate-regulated activities open for comment until 4 September 2013

On 25 April 2013, the IASB published an exposure draft Regulatory Deferral Accounts as part of its reactivated Rate-regulated Activities project. The proposed interim Standard would allow only eligible first-time adopters of IFRSs to preserve, with some modifications, their existing accounting policies for rate-regulated activities.

For more information: <http://www.ifrs.org/Alerts/Publication/Pages/ED-Regulatory-Deferral-Account-Apr-13.aspx>

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 23 - 25 April 2013.

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

Financial instruments: hedge accounting (IFRS due Q2-Q3/2013)

Entities would be provided with an accounting policy choice between applying the new hedge accounting requirements of IFRS 9 and retaining the existing requirements in IAS 39. However, the new related disclosure requirements (that would become part of IFRS 7) would apply to all entities (whether they elect to apply IFRS 9 or continue to apply IAS 39 for hedge accounting).

Conceptual framework (discussion paper due Q2/2013)

The main discussions evolved around the purpose of the Conceptual Framework, revised definitions of an asset and a liability and supporting guidance (eg approaches for identifying present obligations), recognition criteria, objective and principles of measurement, approaches to presentation of profit or loss and other comprehensive income, etc.

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

The Board continued discussing the issues raised in its 2012 Request for Information and took the following main provisional decisions.

- The Standard would not be amended neither for its scope, nor for incorporating new/revised IFRS (eg business combinations, consolidations, fair value measurement, employee benefits).
- The following accounting policy options available in full IFRS would not be included in the Standard: revaluation model for property, plant and equipment (IAS 16), capitalisation of development costs (IAS 38) and capitalisation of borrowing costs (IAS 23).
- The optional fallback to IAS 39 for the recognition and measurement of financial instruments would be retained.
- The Standard's requirements for income tax would be better aligned with current IAS 12 (including the rebuttable presumption that the carrying amount of investment property measured at fair value will be recovered through sale).
- The Standard would specify that if an entity is unable to make a reliable estimate of an intangible asset's useful life, it should not exceed 10 years.

Upcoming Comment Deadlines

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|------------------|---|
| 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) |
| 4 September 2013 | ED/2013/5 - Regulatory Deferral Accounts |

RSM International Comment Letters

On 23 April 2013, RSM International submitted the following comment letters to the IASB:

- 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)*.
For more information: <http://www.ifrs.org/Current-Projects/IASB-Projects/IFRS-10-IAS-28/Exposure-Draft-December-2012/Pages/Comment-letters.aspx>
- ED/2012/7 *Acquisition of an Interest in a Joint Operation (proposed amendment to IFRS 11)*.
For more information: <http://www.ifrs.org/Current-Projects/IASB-Projects/Acquisition-Joint-Operation/Exposure-Draft-December-2012/Pages/Comment-letters.aspx>

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