



IFRS NEWS IN BRIEF

Publications & Announcements

IAS 36 amended for disclosure of non-financial assets' recoverable amount

On 29 May 2013, the IASB published narrow-scope amendments to IAS 36 Impairment of Assets clarifying the disclosures for the measurement of impaired assets' recoverable amount that were introduced by IFRS 13 Fair Value Measurement, thus limiting their scope.

For more information: <http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-issues-narrow-scope-amendments-to-IAS-36-Impairment-of-Assets-May-2013.aspx>

Release of IFRIC Interpretation 21 - Levies

On 20 May 2013, the IASB provided guidance on the accounting for levies imposed by governments (other than income taxes): the obligating event that gives rise to a liability is the activity described in the relevant legislation that triggers the payment of the levy. The Interpretation is effective for annual periods beginning on or after 1 January 2014 (earlier application permitted).

For more information: <http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-issues-IFRIC-Interpretation-21-Levies-May-2013.aspx>

Revised proposals for lease accounting open for comment until 13 September 2013

On 16 May 2013, the IASB (jointly with the FASB) published a revised exposure draft on accounting for leases, proposing a dual approach to the recognition, measurement and presentation of expenses and cash flows arising from a lease, with disclosures that should enable users of financial statements to understand the amount, timing, and uncertainty of such cash flows.

For more information: <http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-and-FASB-propose-changes-to-lease-accounting-May-2013.aspx>

IFRS Interpretations Committee Latest Decisions Summary

During the Committee's meeting on 14 - 15 May 2013, no provisional decisions were taken on forthcoming interpretations. However, various issues were discussed, amongst which the following would be recommended for consideration by the IASB:

- **Amend IAS 12** to clarify that deferred tax assets for unrealised losses on debt instruments should be recognised, unless recovering the debt instrument by holding it until an unrealised loss reverses does not reduce future tax payments and instead only avoids higher tax losses.
- **Add guidance to IFRS 5** to address circumstances in which an entity reclassifies an asset (or disposal group) from held for sale to held for distribution (or vice versa), and where an entity no longer meets the criteria for held for distribution.

For more information: <http://media.ifrs.org/2013/IFRIC/May/IFRICUpdateMay2013.html>

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 21 - 24 May 2013, sometimes jointly with the FASB.

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

Revenue Recognition (IFRS due Q3/2013)

- The existence of a customer loyalty programme and the promise to transfer award credits would not automatically give rise to a performance obligation; all the facts and circumstances should be considered in applying the revenue model to determine whether the promise to transfer award credits gives rise to a performance obligation.
- An optional exemption would be added to IFRS 1 so that first-time adopters would not be required to restate all contracts completed before the earliest period presented.

Novation of derivatives and continuation of hedge accounting (final amendments to IAS 39/IFRS 9 due June 2013)

The initially proposed relief from discontinuing hedge accounting when the novation to a central counterparty (CCP) (ie when the counterparty to a derivative designated as a hedging instrument is replaced by a new CCP) meets specific criteria would be expanded to include voluntary novation to a CCP associated with a legislative or regulatory change and to novation that provides the entity with indirect access to a CCP.

Separate financial statements: use of the equity method (proposed amendments to IAS 27 due Q3/2013)

The option to use the equity method of accounting for investments in subsidiaries, associates and joint ventures in separate financial statements would be restored.

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

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

- The main changes in some new, improved and revised IFRS would be considered for incorporation in the Standard.
- The Standard would be amended to address some of the additional issues raised by respondents, such as added guidance to help SMEs apply the 'undue cost or effort' exemption, guidance on preparation of consolidated financial statements if group entities have different reporting dates, additional 'undue cost or effort' exemptions, clarification of the accounting requirements for entities involved in extractive activities, etc.

Upcoming Comment Deadlines

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
13 September 2013	ED/2013/6 - Leases

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