



IFRS NEWS IN BRIEF

Publications & Announcements

IAS 39 amended for novation of derivatives

The amendments published by the IASB on 27 June 2013 (effective from 1 January 2014 with early application allowed) permit the continuation of hedge accounting in a situation where the counterparty to a derivative designated as a hedging instrument is replaced by a new central counterparty (known as 'novation of derivatives'), as a consequence of laws or regulations, if specific conditions are met.

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

Guidance to help micro-sized entities apply the IFRS for SMEs

The guidance published by the IASB on 27 June 2013 (as an accompanying document to the IFRS for SMEs and not as a stand-alone standard for micro entities) assists micro-sized entities currently applying the IFRS for SMEs and makes the Standard more accessible to those considering applying it in the future. _

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

Revised proposals for insurance contracts open for comment until 25 October 2013

On 20 June 2013, the IASB published a revised exposure draft on accounting for insurance contracts (originally exposed in 2010), introducing refinements to the measurement approach, developing the presentation approach and simplifying transitional provisions, while seeking to minimise artificial accounting volatility.

For more information: <http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-publishes-revised-proposals-for-the-accounting-for-Insurance-Contracts-June-2013.aspx>

Proposals for bearer plants open for comment until 28 October 2013

On 26 June 2013, the IASB published an exposure draft with a view to including bearer plants (ie biological assets that, once mature, are held solely to grow produce over their productive life; eg grape vines, rubber trees or oil palms) in the scope of IAS 16 instead of IAS 41. Consequently, bearer plants would be measured under either the cost model or the revaluation model, while the produce growing on the bearer plants would remain under the fair value model in IAS 41.

For more information: <http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-issues-proposals-on-bearer-plants-June-2013.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 18 - 19 June 2013, sometimes jointly with the FASB.

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

Annual Improvements to IFRSs 2011-2013 Cycle (final amendments due Q4/2013)

Based on the comments received on its November 2012 ED, the IASB tentatively decided to finalise all the proposed improvements that would become effective on 1 July 2014: meaning of effective IFRSs in IFRS 1, scope exception for joint ventures in IFRS 3, scope of portfolio exception in IFRS 13 and clarification of the interrelationship between IFRS 3 and IAS 40 when classifying property (investment property v/s owner-occupied property).

Annual Improvements to IFRSs 2010-2012 Cycle (final amendments due Q4/2013)

The definition of vesting conditions in IFRS 2 Share-based Payment would be amended to allow the start of the assessment period for the performance target to precede the service period, provided that both periods substantially coincide and the assessment period for the performance target does not extend beyond the end of the service period.

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

The IFRS for SMEs would be amended for the following:

- Additional undue cost or effort exemption from the requirement to offset deferred tax assets and liabilities if significant detailed scheduling would be required.
- Clarification that all subsidiaries acquired with the intention of sale or disposal within one year should be excluded from consolidation.
- Leases with an interest rate variation clause linked to market interest rates should be within the scope of the section on leases, rather than the section on financial instruments.
- The liability component of a compound financial instrument should be accounted for consistently with similar standalone financial liabilities (eg for the amortised cost conditions).
- The section on share-based payment should clarify that:
 - Equity instruments of other group entities are within its scope.
 - The simplification for group plans applies only to the measurement of the share-based payment expense and not its recognition.
 - It applies to all share-based payment transactions in which the identifiable consideration received by an entity appears to be less than the fair value of the equity instruments granted or liability incurred (not just those established under law).

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
25 October 2013	ED/2013/7 - Insurance Contracts
28 October 2013	ED/2013/8 - Agriculture: Bearer Plants (proposed amendments to IAS 16 and IAS 41)

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