



IFRS NEWS IN BRIEF

Publications & Announcements

Seven standards amended under 'Annual Improvements to IFRSs 2010-2012 cycle'

On 12 December 2013, the IASB issued the following amendments (in addition to consequential amendments affecting other standards) all effective on or after 1 July 2014:

Standard	Subject of amendment
IFRS 2 Share-based Payment	Definition of vesting condition
IFRS 3 Business Combinations	Accounting for contingent consideration in a business combination
IFRS 8 Operating Segments	Aggregation of operating segments
IFRS 13 Fair Value Measurement	Reconciliation of the total of reportable segments' assets to the entity's assets
IAS 16 Property, Plant & Equipment	Short-term receivables and payables
IAS 24 Related Party Disclosures	Revaluation method–proportionate restatement of accumulated depreciation
IAS 38 Intangible Assets	Key management personnel
	Revaluation method–proportionate restatement of accumulated amortisation

For more information: <http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-issued-Annual-Improvements-to-IFRSs-2010-2012-Cycle-and-2011-2013-Cycle-December-2013.aspx>

Four standards amended under 'Annual Improvements to IFRSs 2011-2013 cycle'

On 12 December 2013, the IASB issued the following amendments all effective on or after 1 July 2014:

Standard	Subject of amendment
IFRS 1 First-time Adoption of IFRSs	Meaning of 'effective IFRSs'
IFRS 3 Business Combinations	Scope exceptions for joint ventures
IFRS 13 Fair Value Measurement	Scope of portfolio exception (paragraph 52)
IAS 40 Investment Property	Clarifying the interrelationship with IFRS 3 when classifying property as investment property or owner-occupied property

For more information: <http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-issued-Annual-Improvements-to-IFRSs-2010-2012-Cycle-and-2011-2013-Cycle-December-2013.aspx>

Proposals for limited amendments to IAS 27 open for comment until 3 February 2014

On 2 December 2013, the IASB published an exposure draft with a view to restoring the option (removed in 2003) to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

Standard	Subject of amendment
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Additional guidance on changes in methods of disposal (reclassification of an asset from held for sale to held for distribution or vice versa)
IFRS 7 Financial Instruments: Disclosure	Clarifying whether a servicing contract is continuing involvement in a transferred asset for disclosure purposes
	Applicability of the amendments to IFRS 7 on offsetting to condensed interim financial statements
IAS 19 Employee Benefits	Additional guidance on discount rate's regional market issue (depth of the market for high quality corporate bonds should be assessed at currency level)
IAS 34 Interim Financial Reporting	Disclosure of information 'elsewhere in the interim financial report'

For more information: <http://tinyurl.com/ntn9mhp>

Proposals for five amendments to four standards open for comment until 13 March 2014

On 11 December 2013, the IASB published, under its annual improvements project (2012-2014 cycle), an exposure draft on the following amendments that would be effective on 1 January 2016:

For more information: <http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-proposals-for-amendments-under-Annual-Improvements-Cycle-2012-2014-December-2013.aspx>

International Accounting Standards Boards (IASB) Latest Decisions Summary

The following is a summarised update on some of the main provisional decisions taken by the IASB at its meeting on 12 December 2013. For more detailed and comprehensive information on the Board's discussions: <http://media.ifrs.org/2013/IASB/December/IASB-Update-December-2013.html>

Financial Instruments: Classification and Measurement (amendments to IFRS 9 due H1/2014)

The IFRS 9 fair value option would be extended to financial assets that would otherwise be mandatorily measured at fair value through other comprehensive income (confirmation of the ED proposal), ie such assets could be designated (on initial recognition and irrevocably) as measured at fair value through profit or loss if doing so would eliminate or significantly reduce a measurement or recognition inconsistency.

Financial Instruments: Impairment (IFRS due H1/2014)

- The proposed transition requirements are provisionally confirmed with further clarifications and application guidance.
- For financial guarantees and loan commitments (other than revolving credit facilities, discussed last month in Issue 32 of IFRS News in Brief):
 - The maximum period over which expected credit losses should be estimated would be the contractual period over which the entity is committed to provide credit.
 - The same discount rate would be applied when estimating expected credit losses on the drawn amount and the undrawn balance.
 - If expected credit losses associated with the undrawn balance cannot be separately identified, they should be presented together with the loss allowance for expected credit losses on the drawn amount.

Fair Value Measurement: Unit of Account (ED due Q1/2014)

Application of the IFRS 13 portfolio exception - Portfolios that comprise only Level 1 financial instruments whose market risks are substantially the same would be measured by multiplying the net position by the Level 1 prices.

Equity Method: Share of Other Net Assets Changes (amendments to IAS 28 due Q1/2014)

Although the proposals in the ED issued in November 2012 (see Issue 21 of IFRS News in Brief) might cause a departure from some aspects of current IFRS literature, the Board tentatively decided to proceed with them (with further analysis of their application), being only a short-term solution to address diversity in practice until the principles of the equity method of accounting are revisited.

Deletion of IFRS 1 short-term exemptions (Annual Improvements 2013-2015 cycle ED due Q3/2014)

Some of the short-term exemptions in Appendix E of IFRS 1 First-time Adoption of International Financial Reporting Standards would be deleted, as they have served their initial intended purpose.

Upcoming Comment Deadlines

14 January 2014	DP/2013/1 - A review of the Conceptual Framework for Financial Reporting
3 February 2014	ED/2013/10 - Equity Method in Separate Financial Statements (proposed amendments to IAS 27)
3 March 2014	ED/2013/9 - IFRS for SMEs: Proposed amendments to the International Financial Reporting Standard for Small and Medium-sized Entities
13 March 2014	ED/2013/11 - Annual Improvements to IFRSs 2012-2014 Cycle

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