



IFRS NEWS IN BRIEF

Publications & Announcements

Interim guidance issued on rate-regulated activities

On 30 January 2014, the IASB published IFRS 14 *Regulatory Deferral Accounts*, an interim Standard - effective from 1 January 2016 (early application permitted) and applicable only by first-time adopters of IFRSs - that enhances the comparability of financial reporting by entities engaged in rate-regulated activities, pending the outcome of the Board's comprehensive project on such activities.

For more information: <http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-issues-interim-Standard-on-rate-regulated-activities-January-2014.aspx>

Post-implementation review of IFRS 3 open for comment until 30 May 2014

On 30 January 2014, the IASB published a Request for Information seeking feedback on the effect of implementing IFRS 3 *Business Combinations*, mainly whether the standard is functioning as intended by providing useful information on a consistent basis and what challenges and costs are associated with implementing it.

For more information: <http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-begins-consultation-on-Post-implementation-Review-of-IFRS-3-January-2014.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 21-23 January 2014, sometimes jointly with the FASB.

For more detailed and comprehensive information on the Board's discussions: <http://media.ifrs.org/2014/IASB/January/IASB-Update-January-2014.html>

Financial Instruments: Classification and Measurement (amendments to IFRS 9 due Q2/2014)

- The proposed presentation and disclosure requirements - specifically those relating to reclassifications into and out of the newly introduced FVOCI measurement category for financial assets that reflects the 'hold and sell' business model - are provisionally confirmed with further clarifications.
- First-time adopters of IFRSs would be provided with relief from presenting comparative information in accordance with the completed version of IFRS 9 under specific conditions (date of transition to IFRS, additional disclosures, etc.), and they would be required to apply the same transition provisions on the initial application of the expected credit loss model than existing IFRS preparers.
- Early application of the completed version of IFRS 9 would be permitted. A previous version of IFRS 9 could be early applied only up to six months after the completed version is issued, in which case the entity would be permitted to continue to apply that version until the completed version of IFRS 9 becomes mandatorily effective; specific transition provisions would then apply (in particular, for the fair value option applied in case of accounting mismatch).
- On transition to the completed version of IFRS 9, the contractual cash flow characteristics of a financial asset should be assessed without taking into account the specific requirements related to the modification of the asset's interest rate or the specific exception for prepayment features, if it is impracticable for the entity to do so; the carrying value of such financial assets should be disclosed until they are derecognised.

Financial Instruments: Impairment (IFRS due Q2/2014)

- The proposed presentation and disclosure requirements - in particular about reconciliations, collateral or other credit enhancements, qualitative disclosures and quantitative disclosures - are provisionally confirmed with additional clarifications and enhancements.

Acquisition of an Interest in a Joint Operation (amendments to IFRS 11 due Q1/2014)

- A previously held interest in a joint operation should not be remeasured on the acquisition of an additional interest in the same joint operation while retaining joint control.
- Acquisitions of interests in joint operations between parties that are under common control would be excluded from the scope of the amendments to IFRS 11.

Upcoming Comment Deadlines

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
30 May 2014	RfI - Post-implementation Review: IFRS 3 Business Combinations

RSM International Comment Letters

On 14 January 2014, RSM International submitted a letter of comment to the IASB on DP/2013/1 *A Review of the Conceptual Framework for Financial Reporting*.

For more information: <http://www.ifrs.org/Current-Projects/IASB-Projects/Conceptual-Framework/Discussion-Paper-July-2013/Pages/Comment-letters.aspx>

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