

## SUMMARY OF IASB WORK PLAN AS AT 23 APRIL 2012

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Abbreviations			
CP	Consultation Paper	DP	Discussion Paper
ED	Exposure Draft	IFRS	International Financial Reporting Standard
IPSAS	International Public Sector Accounting Standard	RT	Roundtable

Summary of Project Objective	Potential Impact on IPSASs	Current Progress and Likely Time Frame for Completion	Other Comments
<b>Agenda Consultation</b>			
<p>The Trustees of the IFRS Foundation (the oversight body of the IASB) agreed that there will be a three-yearly public consultation on the IASB's future technical agenda.</p>	<p>There is no direct impact on current IPSASs. It seems likely that the public consultation will affect the nature and timing of the projects to be undertaken by the IASB.</p>	<p>The IASB has prepared an Agenda Consultation document with engagement from the Due Process Oversight Committee (DPOC). It was issued in July 2011 with a consultation period to 30 November 2011. Roundtables were held in March 2012. A Feedback Statement is expected in Q2 2012 and development of strategy in H2 2012.</p>	<p>The Staff of the IPSASB has submitted a comment letter on this consultation.</p>
<b>Financial Crisis Related Projects</b>			
<b>IFRS 9, <i>Financial Instruments</i> (FI) (IAS 39 replacement)</b>			
<p>The objective of this project is to improve the decision-usefulness of financial statements for users by simplifying the classification and measurement requirements for financial instruments. The project will ultimately replace IAS 39, <i>Financial Instruments: Recognition and Measurement</i>.</p>	<p>Major impact on IPSASs 28–30.</p>	<p>The first phase culminated in the issuance of chapters of IFRS 9 dealing with classification and measurement of financial assets in November 2009 and financial liabilities in October 2010.</p>	<p>At the April 2010 meeting, the IPSASB agreed to defer proposing amendments to IPSASs 28–30 until after the IASB completes its project on IFRS 9, which is expected to be completed in 2013.</p>
<p><b>FI—Classification and Measurement</b> In January 2012, the IASB and the FASB announced that they will work together to seek to reduce</p>	<p>Major implications for the classification and measurement provisions in IPSAS 29.</p>	<p>An ED is expected H2 2012.</p>	

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differences in their respective classification and measurement models for financial instruments.			
<p><b>FI—Impairment</b></p> <p>This is the second phase of the project to replace IAS 39 with a new Standard (IFRS 9). It proposes adoption of the “expected loss model” rather than the “incurred loss model” that underpins the impairment approach in IAS 39.</p>	<p>Major implications for the impairment provisions in IPSAS 29.</p>	<p>An ED, <i>Financial Instruments: Amortised Cost and Impairment</i> was issued in November 2009 with a consultation period that expired in June 2010. A supplementary ED was issued on 31 January 2011 with a consultation period to 1 April 2011. A re-exposure of an IFRS (as a chapter of IFRS 9) is expected H2 2012.</p>	
<p><b>FI—Hedge Accounting</b></p> <p>This is the third phase of the project to replace IAS 39 with a new Standard (IFRS 9). The aim is to simplify and replace the hedge accounting requirements of IAS 39. This includes considering:</p> <ul style="list-style-type: none"> <li>• Portfolio hedging;</li> <li>• Simplifying cash flow hedge accounting;</li> <li>• Implications on hedge accounting for net investments in a foreign operation.</li> </ul>	<p>Implications for the hedge accounting requirements of IPSAS 29.</p>	<p>An ED, <i>Hedge Accounting</i> was issued on 9 December 2010 with a consultation period to 9 March 2011. A review draft of an IFRS (as a chapter of IFRS 9) on general hedge accounting is expected Q2 2012 and final is expected in H2 2012. A DP or ED on portfolio (or macro) hedge accounting is expected H2 2012.</p>	

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<b>Memorandum of Understanding Projects</b>			
<b>Leases</b>			
<p>The objective of the project is to develop a new single approach to lease accounting that would ensure that all assets and liabilities arising under lease contracts are recognized in the statement of financial position.</p> <p>The most significant impact will be to remove the distinction between finance leases and operating leases and the differing accounting consequences that arise from that distinction in IAS 17, <i>Leases</i>.</p>	<p>Major impact on IPSAS 13, <i>Leases</i>, which is primarily drawn from IAS 17.</p>	<p>A DP was jointly developed with FASB and issued in March 2009. The consultation period expired in July 2009. That paper focused on lessee accounting. A further ED was issued in August 2010 with a consultation period ending in December 2010. Roundtables were held December 2010 and January 2011. A re-exposure draft is expected H2 2012.</p>	
<b>Revenue Recognition</b>			
<p>The objective of this project is to develop a new standard for revenue recognition that will apply to a range of industries. The new standard will replace the existing standards on revenue recognition, IAS 11, <i>Construction Contracts</i> and IAS 18, <i>Revenue</i>.</p> <p>The key principle is that an entity recognizes revenue when it satisfies its performance obligations in a contract by transferring goods and</p>	<p>Although the fundamental principles will probably not be altered, there are significant implications for IPSAS 9, <i>Revenue from Exchange Transactions</i> and IPSAS 11, <i>Construction Contracts</i>, which are primarily drawn from IAS 11 and IAS 18.</p>	<p>A DP was issued in December 2008. An ED was issued in June 2010 with a consultation period that ended in October 2010. Roundtables were held in November 2010. A re-exposure was issued in November 2011 with a comment period to 13 March 2012. A revised standard is expected 2013.</p>	<p>Staff attended the Roundtable held in Kuala Lumpur in November 2010.</p>

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services to a customer.			
<b>Other projects</b>			
<b>Insurance Contracts</b>			
The overall aim of the project is to provide consistent and sound requirements for accounting for insurance contracts. The project has been conducted in 2 stages. Phase 1 culminated in the publication of IFRS 4, <i>Insurance Contracts</i> in 2004. Phase 2 will result in the replacement of IFRS 4.	There is no direct impact on IPSASs at present as the IPSASB does not have an IPSAS equivalent of IFRS 4. There are likely to be implications for the scope sections of IPSASs 28–30 when IFRS 4 is replaced.	An ED was issued in July 2010, with a consultation period that expires in November 2010. Roundtables were held in December 2010. A re-exposure or review draft of an IFRS is expected H2 2012.	Accounting for insurance contracts has not generally been considered a high priority in IPSASB deliberations.
<b>Annual Improvements (AIP)—2010–2012</b>			
Process to deal with minor amendments of both a substantive and editorial nature. Ongoing on an annual cycle.		An ED was issued in May 2012 with a consultation period to 5 September 2012.	The IPSASB will consider these amendments as part of its 2-yearly improvements project in 2013.
<b>Annual Improvements (AIP)—2011–2013</b>			
Process to deal with minor amendments of both a substantive and editorial nature. Ongoing on an annual cycle.		An ED is expected Q3 2012.	The IPSASB will consider these amendments as part of its 2-yearly improvements project in 2013.
<b>Consolidation—Investment Entities</b>			
The project objective is to define an		An ED was issued on 25 August 2011	Staff attended the

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investment entity and to require that an investment entity should not consolidate investments in entities that it controls, but to measure those investments at fair value, with changes in fair value recognised in profit or loss.		with a consultation period ending on 5 January 2012. Roundtables were held in Q1 2012. An amendment to IFRS 10 is expected H2 2012.	Roundtable held in Toronto in January 2012.
<b>Transition Guidance for IFRS 10, <i>Consolidated Financial Statements</i></b>			
The project objective is to clarify the transition guidance in IFRS 10, <i>Consolidated Financial Statements</i> to ensure that the transition provisions are not more burdensome than originally intended.		An ED was issued on 20 December 2011 with a consultation period ending on 21 March 2012. An amendment to IFRS 10 is expected Q2 2012.	
<b>Post-implementation Reviews</b>			
<b>IFRS 8, <i>Operating Segments</i></b>			
A post-implementation review is due to be carried out as the requirements in IFRS 8 were effective approximately 2 years ago, i.e., for periods beginning on or after 1 January 2009.	There is no direct impact on current IPSASs as IPSAS 18, <i>Segment Reporting</i> is based on the previous standard IAS 14, <i>Segment Reporting</i> .	A review has been initiated, with a target completion date of 2012. A Request for Views is expected in Q2 2012.	The IPSASB, at its July 2007 meeting, agreed to defer a proposed project to update IPSAS 18.
<b>IFRS 3, <i>Business Combinations</i></b>			
A post-implementation review is due to be carried out as the requirements	There is no direct impact on current IPSASs as the IPSASB	The review is expected to be initiated in H2 2012/Q1 2013.	The IPSASB is undertaking a project on public sector

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in IFRS 3 were effective approximately 2 years ago, i.e., for periods beginning on or after 1 July 2009.	does not have an equivalent standard.		combinations.
<b>Recently Completed Projects</b>			
<b>Annual Improvements (AIP)—2009–2011</b>			
Process to deal with minor amendments of both a substantive and editorial nature. Ongoing on an annual cycle.	It may impact IPSAS 1, 17 and 28.	An ED was issued in June 2011 with a consultation period to 21 October 2011. An IFRS was issued in May 2012.	The IPSASB will consider these amendments as part of its 2-yearly improvements project in 2013.
<b>Amendment to IFRS 1 (Government Loans)</b>			
The proposed amendment sets out how a first-time adopter would account for a government loan with a below-market rate of interest when they transition to IFRSs.	It may impact the IPSASB's project on First-Time Adoption of IPSASs.	An ED was issued in October 2011 with a consultation period to 5 January 2012. An amendment to IFRS 1 was issued in March 2012.	