

SUMMARY OF IASB WORK PLAN AS AT 25 OCTOBER 2012

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Summary of Project Objective	Potential Impact on IPSASs	Current Progress and Likely Time Frame for Completion	Other Comments
Agenda Consultation			
<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 Q4 2012.</p>	<p>The Staff of the IPSASB has submitted a comment letter on this consultation.</p>
Financial Crisis Related Projects			
IFRS 9, <i>Financial Instruments</i> (FI) (IAS 39 replacement)			
<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>FI—Classification and Measurement In January 2012, the IASB and the FASB announced that they will work together to seek to reduce differences in their respective classification and</p>	<p>Major implications for the classification and measurement provisions in IPSAS 29.</p>	<p>An ED proposing limited amendments to IFRS 9 is expected Q4 2012.</p>	

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measurement models for financial instruments.			
<p>FI—Impairment</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 Q4 2012.</p>	
<p>FI—Hedge Accounting</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"> • Portfolio hedging; • Simplifying cash flow hedge accounting; • Implications on hedge accounting for net investments in a foreign operation. 	<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 was issued in September 2012 and the final is expected in Q4 2012. A DP on portfolio (or macro) hedge accounting is expected H1 2013.</p>	
Memorandum of Understanding Projects			
Leases			
The objective of the project is to develop	Major impact on IPSAS 13,	A DP was jointly developed with FASB	

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<p>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><i>Leases</i>, which is primarily drawn from IAS 17.</p>	<p>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 Q1 2013.</p>	
Revenue Recognition			
<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 services to a customer.</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 H1 2013.</p>	<p>Staff attended the Roundtable held in Kuala Lumpur in November 2010.</p>

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Other projects			
Insurance Contracts			
<p>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.</p>	<p>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.</p>	<p>An ED was issued in July 2010, with a consultation period that expired in November 2010. Roundtables were held in December 2010. A re-exposure draft of an IFRS is expected H1 2013.</p>	<p>Accounting for insurance contracts has not generally been considered a high priority in IPSASB deliberations.</p>
Narrow Scope Amendments			
Annual Improvements (AIP)—2010–2012			
<p>Process to deal with minor amendments of both a substantive and editorial nature. Ongoing on an annual cycle.</p>		<p>An ED was issued in May 2012 with a consultation period to 5 September 2012. An improvements standard is expected Q2 2013.</p>	<p>The IPSASB will consider these amendments as part of its 2-yearly improvements project in 2013.</p>
Annual Improvements (AIP)—2011–2013			
<p>Process to deal with minor amendments of both a substantive and editorial nature. Ongoing on an annual cycle.</p>		<p>An ED is expected Q4 2012.</p>	<p>The IPSASB will consider these amendments as part of its 2-yearly improvements project in 2013.</p>

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Revenue-Based Methods of Depreciation and Amortisation			
<p>A project to amend IAS 16, <i>Property, Plant and Equipment</i> and IAS 38, <i>Intangible Assets</i> to clarify a revenue-based depreciation or amortisation method is not considered to be an appropriate manifestation of consumption, because revenue represents the generation of expected economic benefits rather than the consumption of economic benefits.</p>	<p>Implications for IPSAS 17, <i>Property, Plant, and Equipment</i> and IPSAS 31, <i>Intangible Assets</i>.</p>	<p>An ED is expected Q4 2012.</p>	
Sales or Contributions of Assets between an Investor and its Associate/Joint Venture			
<p>A project to eliminate the apparent conflict between IAS 28, <i>Investments in Associates and Joint Ventures</i> and IFRS 10, <i>Consolidated Financial Statements</i> in relation to sales or contributions of assets between an investor and its associate/joint venture.</p>	<p>Potential implications for the Revision of IPSASs 6–8 project.</p>	<p>An ED is expected Q4 2012.</p>	
Equity Method of Accounting: Accounting for Other Net Asset Changes			
<p>A project to amend IAS 28, <i>Investments in Associates and Joint Ventures</i> to provide guidance on whether and where an investor should account for its share of the changes in the net assets of the associate that are not recognized in profit or loss or other comprehensive</p>	<p>Potential implications for the Revision of IPSASs 6–8 project.</p>	<p>An ED is expected Q4 2012.</p>	

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income (OCI) of the associate (i.e., “other net asset changes”).			
Acquisition of an Interest in a Joint Venture			
A project to amend IFRS 11, <i>Joint Arrangements</i> to add guidance on how to account for the acquisition of an interest in a joint operation that is a business by applying the relevant principles for business combinations in IFRS 3, <i>Business Combinations</i> and other IFRSs.	Potential implications for the Revision of IPSASs 6–8 project.	An ED is expected Q4 2012.	
IFRS for SMEs			
Comprehensive Review 2012–2014			
When the IASB issued the IFRS for SMEs in July 2009, it said that it would undertake an initial comprehensive review of the Standard to enable the IASB to assess the first two years’ experience in implementing the Standard and consider whether there is a need for any amendments.	There is no direct impact on IPSASs at present as the IPSASB does not have an IPSAS equivalent of IFRS for SMEs.	A Request for Information was issued on 26 June 2012. The deadline for comment is 30 November 2012.	Accounting for public sector SMEs has not generally been considered a high priority in IPSASB deliberations.
Post-Implementation Reviews			
IFRS 8, <i>Operating Segments</i>			
A post-implementation review is due to	There is no direct impact on	A review has been initiated, with a	The IPSASB, at its July

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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.	current IPSASs as IPSAS 18, <i>Segment Reporting</i> is based on the previous standard IAS 14, <i>Segment Reporting</i> .	target completion date of 2012. A Request for Information was issued on 26 June 2012. The deadline for comment is 16 November 2012.	2007 meeting, agreed to defer a proposed project to update IPSAS 18.
IFRS 3, Business Combinations			
A post-implementation review is due to be carried out as the requirements in IFRS 3 were effective approximately 2 years ago, i.e., for periods beginning on or after 1 July 2009.	There is no direct impact on current IPSASs as the IPSASB does not have an equivalent standard.	The review is expected to be initiated in H1 2013.	The IPSASB is undertaking a project on public sector combinations.
Research Projects			
Rate-Regulated Activities			
An IASB project to consider whether IFRSs should require entities operating in rate-regulated environments to recognize assets and liabilities arising from the effects of rate regulation.	There is no direct impact on current IPSASs.	A Discussion Paper is expected to be issued in H2 2013.	
Bearer Biological Assets			
A limited scope project to consider an amendment to IAS 41, <i>Agriculture</i> in relation to bearer biological assets, as to whether these assets would be better accounted for under IAS 16, <i>Property, Plant and Equipment</i> rather than using the fair value measurement approach	Implications for IPSAS 27, <i>Agriculture</i> .	An Exposure Draft is expected to be issued in H1 2013.	

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prescribed by IAS 41.			
Conceptual Framework			
A comprehensive project focusing on the elements of financial statements, measurement, reporting entity, and presentation and disclosure.	The IPSASB has made it clear that it is developing its own Conceptual Framework, not an interpretation of the IASB's Framework. However, the IASB's approach can inform the IPSASB's approach.	A Discussion Paper is expected to be issued in H1 2013. The project aims to be completed in 2015.	The IPSASB's timetable expects completion of its Framework in 2014 so it is likely to be in advance of the IASB in a number of areas.
Recently Completed Projects			
Consolidation—Investment Entities			
The project objective is to define an 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.		An ED was issued on 25 August 2011 with a consultation period ending on 5 January 2012. Roundtables were held in Q1 2012. An amendment to IFRS 10 was issued on 31 October 2012.	Staff attended the Roundtable held in Toronto in January 2012.
Transition Guidance for IFRS 10, <i>Consolidated Financial Statements</i>			
This project 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 IFRSs 10–12 was issued in June 2012.	