IFRS Newsletter

August 2016

13 January 2016 | Leases:

The new leases standard – IFRS 16 – will require companies to bring most leases on-balance sheet from 2019.

Under the new standard, companies will recognise new assets and liabilities, bringing added transparency to the balance sheet. At present, many analysts adjust financial statements to reflect lease transactions that companies hold off-balance sheet.

For the first time, analysts will be able to see a company's own assessment of its lease liabilities, calculated using a prescribed methodology that all companies reporting under IFRS will be required to follow.

Our SlideShare presentation can help you to understand the proposals and the possible impacts for your business.

"All companies that lease major assets will see an increase in reported assets and liabilities. This will affect a wide variety of sectors, from airlines that lease aircraft to retailers that lease stores. The larger the lease portfolio, the greater the impact on key reporting metrics."

Kimber Bascom,
KPMG's global IFRS leasing standards leader

IFRS Newsletter: Leases

27 January 2016 | Insurance:

Insurance – Planned technical redeliberations now complete

The IASB has completed most of its technical redeliberations and moved closer towards publishing a new insurance contracts standard.

At its January meeting, the Board considered the level of aggregation for onerous contracts and allocation of the contractual service margin (CSM) and continued its discussion regarding discretionary cash flows.

"The IASB has completed its planned technical redeliberations and we expect the release of the final insurance standard around the end of this year."

For a detailed discussion of these developments, read Issue 51 of our IFRS Newsletter: Insurance. Previous issues can be found on our Newsletters web page.

IFRS Newsletter: Insurance

12 February 2016 | Disclosures

Disclosure on changes in financing liabilities

New disclosure

IAS 7 Statement of Cash Flows has been amended as part of the IASB's broader disclosure initiative to improve presentation and disclosure in financial statements.

“While we welcome another step towards more valuable disclosures for users, the question remains whether these narrow-scope amendments will result in more relevant information about an entity’s cash dynamics, on a consistent and comparable basis."

Gabriela Kegalj, KPMG’s global IFRS presentation deputy leader

IFRS Newsletter: Disclosures

24 February 2016 | Financial Instruments

Financial Instruments – Characteristics of equity

At its February meeting, the Board continued to explore the three approaches identified as potential ways of improving IAS 32 Financial Instruments: Presentation. It considered the use of sub-classes of financial liabilities and equity as well as claims with conditional alternative settlement outcomes.

“The latest Board discussions have highlighted the need to further explore presentation options as a means to address the shortcomings of a binary classification approach.”

IFRS Newsletter: Financial Instruments.

12 April 2016 | Revenue

New revenue standard – Introducing the new IFRS 15

Now that the IASB has issued its clarifications to IFRS 15, we have the final version of the standard that you will be required to apply by 2018.

What's in the new IFRS 15?

The final standard includes clarifications and further examples on how to apply certain aspects of the five-step recognition model, as well as additional practical expedients to apply on transition.

Almost all companies are affected by IFRS 15, but if you are in the telecom, software, engineering, construction or real estate industries, then you are likely to see more significant changes.

Our First Impressions publication has been fully revised and updated to provide a digestible introduction to the clarified version of IFRS 15. The second edition of our Issues In-Depth guide gives our detailed analysis.

IFRS Newsletter: Revenue

26 April 2016 | Revenue

Telcos – Implementing IFRS 15

The new revenue standard – effective from 1 January 2018 – is likely to affect the way you account for revenue. It is time to engage to meet the expectations of stakeholders and regulator!

We look at how IFRS 15 *Revenue from Contracts with Customers* will affect companies in the telecommunications sector, and how KPMG can help.

IFRS Newsletter: Revenue

26 April 2016 | Revenue

Accounting for revenue is changing

The new revenue standard – effective from 1 January 2018 – is likely to affect the way you account for revenue. But it is more than just an accounting policy change.

This guide allows you to assess the possible impacts on your business from IFRS 15: Accounting for revenue is changing

30 June 2016 | Revenue
IFRS 15 – Transition to the new revenue standard

As the effective date of IFRS 15 is fast approaching, one key decision needs to be made soon – how and when to transition to the new standard.

Identifying the optimal approach depends on a range of issues, so the answer may not be straightforward.

Time is running out. Our publication **Revenue – Transition options** will help you to make the choice that is right for your business.

IFRS Newsletter: Revenue

1 June 2016 | Financial Instruments
Financial instruments for corporates

How corporates account for financial assets will change from 1 January 2018, when the new financial instruments standard, IFRS 9, comes into effect.

However, the challenges reach beyond accounting and may require changes to systems and processes. Now is the time for you to engage with the new standard.

We look at how corporates will be affected and how KPMG can help.

IFRS Newsletter: Financial Instruments

17 June 2016 | Banking
Banks – Implementing IFRS 9's impairment requirements

The new financial instruments standard, IFRS 9, becomes effective in just 18 months' time, and will require great effort and resource – as well as significant judgement – to implement.

It is one of the most momentous changes in accounting many banks have ever faced and audit committees will have a key oversight role during the implementation phase and beyond.

In a rare move, the six largest global accounting networks – BDO, Deloitte, EY, Grant Thornton, KPMG and PwC – have published a joint paper that seeks to help banks' audit committees fulfil their responsibilities.

The paper will help the two key groups that will be instrumental in ensuring a high quality implementation of IFRS 9:

• those charged with governance, who will set the tone for and oversee implementation, including related controls; and

• finance, risk management, IT and other executives who will implement the new requirements.

The paper is addressed to audit committees of systemically important banks, but the principles also apply in a proportionate way to other banks and financial institutions. It builds on some of the themes already outlined by banking supervisors.

IFRS Newsletter: Banking

21 June 2016 | Employee benefits
Clarifying share-based payment accounting

Currently, there is ambiguity over how a company should account for certain types of share-based payment arrangements. The IASB has responded by publishing amendments to IFRS 2 *Share-based Payment.*

The amendments cover three accounting areas:

• measurement of cash-settled share-based payments;

• classification of share-based payments settled net of tax withholdings; and

• accounting for a modification of a share-based payment from cash-settled to equity-settled.

The new requirements could affect the classification and/or measurement of these arrangements – and potentially the timing and amount of expense recognised for new and outstanding awards.

IFRS Newsletter: Employee benefits

4 July 2016 | Business Combinations

Clarifying business combinations accounting

The IASB's consolidation suite of standards covers accounting for investments in subsidiaries (investment entities), associates & JVs and joint operations as well as related disclosures.

Our materials provide guidance and analysis to help you understand the requirements as well as any forthcoming or proposed amendments and to assess their potential impact.

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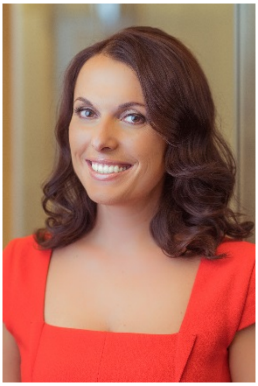

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