

Update on IASB's work plan



This issue of *In the Headlines* focuses on the IASB's¹ projected targets as at 14 September 2011. The IASB is in the process of obtaining input on the broad strategic direction it should follow in setting its work plan, and the projects and areas that should be given priority. While this consultation is ongoing, the IASB intends to continue to give the highest priority to progressing its work on the following projects:

- financial instruments
- insurance contracts
- leases
- revenue recognition.

In addition, the IASB is committed to:

- continue the project on the conceptual framework;
- perform implementation reviews;
- undertake a review of the IFRS for SMEs;
- invest in research; and
- undertake minor amendments through the annual improvements process.

The project summaries that follow set out a description of each project, current status and expected timing.

Highlights

- IASB completed projects on:
 - presentation of other comprehensive income
 - employee benefits
 - fair value measurement
 - consolidations, joint arrangements and disclosures of interests in entities
- Release of impairment and revenue re-exposure or review drafts deferred

Appendix – Project summaries

Project	Overview	Expected timing
<p>Annual improvements</p> <p>(Amendments to existing standards)</p>	<p>Joint project  MoU² project </p> <p>Objective</p> <p>This project involves the IASB accumulating throughout a year what it believes are non-urgent but necessary improvements to IFRSs and then processing these amendments collectively.</p> <p>Generally, an exposure draft of proposed improvements is published in the third or fourth quarter of each year, with an associated comment period of 90 days, and the final improvements are published in the first half of the following year.</p> <p>Status</p> <p>In June 2011 the IASB published ED/2011/2 <i>Improvements to IFRSs</i> with a comment deadline of 21 October 2011.</p>	<p>2012 – final improvements to be issued.</p>
<p>Consolidation: investment entities</p> <p>(Amendments to new standard)</p>	<p>Joint project  MoU project </p> <p>Objective</p> <p>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.</p> <p>Status</p> <p>In August 2011 the IASB published ED/2011/4 <i>Investment Entities</i> with a comment deadline of 5 January 2012.</p>	<p>2012 – final amendments to be issued.</p>
<p>Financial instruments: replacement of IAS 39</p> <p>(New standard)</p>	<p>Objective</p> <p>The objective of this project is to develop a less complex and more principles-based standard on the accounting for financial instruments. The project involves a fundamental reconsideration of the accounting for financial instruments and will result in a final standard (IFRS 9 <i>Financial Instruments</i>) replacing IAS 39 <i>Financial Instruments: Recognition and Measurement</i>. The first version of IFRS 9 was released in November 2009 and addressed only the requirements for classification and measurement of financial assets. In October 2010 additions to IFRS 9 on derecognition and financial liability accounting were issued. Subsequent additions to this standard covering the requirements for impairment and hedging will be made in the future.</p>	

These project summaries are based mainly on information available from the [IASB's website](#).

Project	Overview	Expected timing
Financial instruments: replacement of IAS 39 (continued) (New standard)	<p>Status</p> <p>Classification and measurement</p> <p>Joint project <input checked="" type="checkbox"/> MoU project <input checked="" type="checkbox"/></p> <p>In October 2010 the IASB added the requirements for classification and measurement of financial liabilities to IFRS 9. This completes the first phase of the IASB's project to replace IAS 39.</p> <p>In August 2011 the IASB published ED/2011/3 <i>Mandatory Effective Date of IFRS 9</i> that proposes to push out the effective date of IFRS 9 to periods beginning on or after 1 January 2015. Comments are due on 21 October 2011.</p>	<p>Q4 2011 – final amendment expected.</p>
	<p>Impairment</p> <p>Joint project <input checked="" type="checkbox"/> MoU project <input checked="" type="checkbox"/></p> <p>In January 2011 the IASB published Supplement to ED/2009/12 <i>Financial Instruments: Amortised Cost and Impairment</i>. The Boards³ are currently considering the comments received.</p>	<p>Q4 2011 or 2012 – re-exposure or review draft expected.</p>
	<p>Hedging – general</p> <p>In December 2010 ED/2010/13 <i>Hedge Accounting</i> was published. The exposure draft addresses general hedge accounting. The IASB is continuing to redeliberate macro or portfolio hedge accounting.</p> <p>Joint project <input checked="" type="checkbox"/> MoU project <input checked="" type="checkbox"/></p> <p>In December 2010 the IASB published ED/2010/13 <i>Hedge Accounting</i>. The exposure draft addressed general hedge accounting. The IASB has considered the comments received and are currently finalising the standard.</p>	<p>Q4 2011 – final standard expected.</p>
	<p>Hedging – macro or portfolio</p> <p>Joint project <input checked="" type="checkbox"/> MoU project <input checked="" type="checkbox"/></p> <p>The IASB is continuing its discussions on macro or portfolio hedge accounting. An exposure draft is expected later in 2011 or in 2012.</p>	<p>Q4 2011 or 2012 – exposure draft expected.</p>
	<p>Asset and liability offsetting</p> <p>Joint project <input checked="" type="checkbox"/> MoU project <input checked="" type="checkbox"/></p> <p>In January 2011 the IASB published ED/2011/1 <i>Offsetting Financial Assets and Financial Liabilities</i> with the objective to establish a common principle and address the differences between IFRSs and US GAAP for balance sheet offsetting of derivative contracts and other financial instruments. The Boards are currently considering the comments received.</p>	<p>Q4 2011 – final standard expected.</p>

Project	Overview	Expected timing
Insurance contracts phase II: replacement of IFRS 4 (New standard)	Joint project  MoU project  Objective The objective of this project is to develop a comprehensive model for accounting for insurance contracts. Any resulting standard would replace IFRS 4 <i>Insurance Contracts</i> . Status In July 2010 the IASB published ED/2010/8 <i>Insurance Contracts</i> . The IASB is currently considering comments received.	Q4 2011 or 2012 – re-exposure or review draft expected.
Leases: replacement of IAS 17 (New standard)	Joint project  MoU project  Objective The objective of this project is to reconsider the accounting requirements for leasing arrangements. The resulting standard is expected to replace IAS 17 <i>Leases</i> . Status In August 2010 the IASB published ED/2010/9 <i>Leases</i> . The IASB has considered the comments received and are currently finalising a revised exposure draft.	Q4 2011 – re-exposure draft expected. 2012 – final standard expected.
Revenue recognition: replacement of IAS 11, IAS 18 and several IFRICs (New standard)	Joint project  MoU project  Objective The objective of this project is to develop a single comprehensive principle-based model for revenue recognition that can be applied by all entities in different industries. The resulting standard would replace IAS 11 <i>Construction Contracts</i> and IAS 18 <i>Revenue</i> as well as several IFRICs related to revenue recognition. Status In June 2010 the IASB published ED/2010/6 <i>Revenue from Contracts with Customers</i> . The IASB has considered the comments received and are currently finalising a revised exposure draft.	Q4 2011 – re-exposure draft expected. 2012 – final standard expected.

Abbreviations

- 1 IASB: International Accounting Standards Board
- 2 MoU: Memorandum of Understanding
- 3 Boards: IASB and FASB⁴
- 4 FASB: US Financial Accounting Standards Board

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