In this issue ...

The latest on the IFRS 9 classification and measurement project
In November 2012, the IASB published an exposure draft (ED) Classification and Measurement: Limited Amendments to IFRS 9 (Proposed amendments to IFRS 9 (2010)). We take a look at the key amendments proposed and the potential business implications.

Avoiding disclosure overload in financial statements – improving corporate communication through improved disclosures
In IFRS financial statements, disclosures that were initially intended as supplementary addenda to the primary statements have become increasingly central to corporate reporting. Sue Harding, independent analyst and contributor to the UK Financial Reporting Council’s Reporting Lab, and Russell Picot, Group Chief Accounting Officer at HSBC provide their views.

IFRS project update
Find out which projects the IASB and the IFRS Interpretations Committee (IFRIC) are currently discussing.

Resources
Look here for an up-to-date list of our recent publications.

We welcome your feedback on IFRS Outlook. Please contact us at ifrs@ey.com.
Ruth Picker
Global Leader of IFRS Services
The latest on the IFRS 9 classification and measurement project

The financial crisis of 2008 led the G-20 group and the Financial Stability Board to request the IASB to fast-track its project to replace IAS 39 Financial Instruments: Recognition and Measurement, with the objective of simplifying, improving and converging the accounting for financial instruments with US GAAP. Since 2008, the IASB has been working extensively on IFRS 9 Financial Instruments, its new financial instruments project.

The first phase of IFRS 9, which addresses the classification and measurement of financial assets, was published in November 2009. It was later amended in October 2010 to include the classification and measurement requirements for financial liabilities. In December 2011, the IASB amended IFRS 9 to move the mandatory effective date from 1 January 2013 to 1 January 2015.

In November 2012, the IASB published an exposure draft (ED) Classification and Measurement: Limited Amendments to IFRS 9 (Proposed amendments to IFRS 9 (2010)). The proposed amendments are primarily intended to: (i) address specific application issues raised by early adopters of IFRS 9; (ii) address income statement accounting mismatches and short-term volatility issues which have been identified in the insurance contracts project; and (iii) reduce key differences between IFRS 9 and the FASB’s tentative classification and measurement model.

We take a look at some of the key amendments proposed and provide a brief commentary on potential business implications.

The introduction of a new measurement category
IFRS 9 requires classification of financial assets to be subsequently measured at either fair value through profit or loss (FVTPL) or amortised cost, depending on how an entity manages the assets and the nature of their contractual cash flows. The resulting measurement basis is intended to provide information about the instrument’s future cash flows and how they will be realised.

If a financial asset has contractual cash flows that are solely payments of principal and interest (i.e., a simple debt instrument) and the objective of the business model, within which the asset is held, is to hold financial assets to collect their contractual cash flows, the financial asset is measured at amortised cost.

In all other circumstances, financial assets are measured at FVTPL. For example, when the objective of a business model, within which the asset is held, is to realise value through the active buying and selling of financial assets, or if the asset contains complex cash flows, fair value provides information that is useful in making more accurate and timely assessments of the changes in the entity’s financial position and profitability compared to amortised cost.

The ED proposes to introduce a third measurement category: fair value through other comprehensive income (FVOCI). This category is designed to capture portfolios of ‘plain vanilla’ loans or debt securities that are managed within a business model with the dual objective of holding assets to collect contractual cash flows and to realise cash flows through sale.

This new category would capture a portfolio where the entity intends to maintain a certain level of investment in the financial assets for a period of time, but may seek to maximise its return through opportunistic selling and reinvestment in higher yielding assets. This could include, for example, liquidity management portfolios held by banks, as well as portfolios where an entity manages the assets with the objective of matching their duration with that of associated liabilities (such as assets that back insurance liabilities).

The following example, adapted from the ED, illustrates a business model where financial instruments are managed with the objective of both holding financial assets to collect contractual cash flows and to sell financial assets:

A non-financial entity anticipates a cash outflow in a few years to pay for capital expenditure. The entity invests its excess cash in financial assets until the need for the funds arises. The entity’s objective for managing the financial assets is to maximise the total return, comprising both the return of interest and principal and gains or losses on sales made in accordance with the entity’s established investment policy. The managers responsible for the portfolio are remunerated based on the total return generated by the financial assets.
As the FVOCI category is designed to capture financial assets that an entity manages (both to collect contractual cash flows and for sale), two sets of information are relevant for this category: fair value and amortised cost. Accordingly, the proposal would require the balance sheet to reflect the fair value carrying amount, while profit or loss would report interest income, realised gains and losses and impairment as if the financial assets were measured at amortised cost. Other fair value changes are recognised in other comprehensive income (OCI) until the financial asset is derecognised, at which point, the cumulative gains or losses recognised in OCI are recycled to profit or loss.

Like the existing amortised cost measurement category, an entity may, on initial recognition, irrevocably elect to designate a debt instrument that would otherwise be mandatorily measured at FVOCI, at fair value through profit or loss if, and only if, doing so eliminates or significantly reduces an accounting mismatch.

The available-for-sale (AFS) category in IAS 39 was essentially a residual classification and an election. The classification at FVOCI under IFRS 9 reflects a business model evidenced by the way a group of financial assets is managed and its performance is reported. Furthermore, financial assets measured at FVOCI will be subject to the same impairment model as those measured at amortised cost. Accordingly, changes in fair value for reasons other than credit (e.g., interest rates or liquidity spreads) will not be recorded in profit or loss until derecognition. In contrast, the impairment recorded for the AFS category is measured on a different basis than that for amortised cost. Finally, only simple debt instruments will qualify for measurement at FVOCI under these proposals.

Diagram 1: The proposed classification and measurement model

---

As a result, an expected loss will need to be recognised, on initial recognition, in profit or loss with an offsetting credit to OCI (as is proposed in the recent exposure draft on impairment).

---

IFRS Outlook March 2013
The latest on the IFRS 9 classification and measurement project *continued*

The proposal to introduce a FVOCI category for debt instruments means that financial assets held within certain business models which do not qualify for amortised cost, and that would have otherwise defaulted to FVTPL, could be classified and measured at FVOCI. Consequently, use of this category would shift fair value movements from profit or loss to equity. This would depend on the objectives of the entity’s business models and the scale of financial instruments held. We expect banks and insurers, in particular, to be the most affected by this.

Reporting entities would need to perform a detailed analysis of their business models. Such an analysis would include an assessment of how the different portfolios are managed, how their performance is evaluated and how the managers responsible for them are compensated. Furthermore, this analysis would need to include an assessment of the significance and frequency of sales activity, as well as an assessment of whether the sales and the collection of contractual cash flows activities are incidental or integral to a specific business model. For banks and other regulated financial institutions, the analysis would also need to consider the potential impact on regulatory capital.

To accelerate the application of the IFRS 9 requirements on own credit risk, the IASB has proposed in the ED that, when the fully amended IFRS 9 is issued, an entity may elect to early adopt only the own credit presentation requirements, without having to adopt the rest of the standard.

We welcome the proposal to allow early adoption of the ‘own credit’ requirements of IFRS 9. The application of the current requirements means that improving perceptions of an entity’s creditworthiness reduces earnings, and worsening perceptions increases earnings. However, many entities would prefer the amendment be made to IAS 39. Otherwise, it will only become available once IFRS 9 is completed (and, in some jurisdictions, when it is endorsed by the regulator).

**Convergence with US GAAP**

Whilst the joint deliberations between the IASB and FASB have resulted in common objectives for the business models underlying the three measurement categories, the proposed standards are expected to be only directionally converged. This is because the guidance to apply these objectives was not deliberated jointly. Differences in the application guidance may potentially result in different classification and measurement outcomes.

Early application of financial liabilities ‘own credit’ amendments

One of the more controversial requirements of IAS 39 is that, in determining the fair value of a non-derivative financial liability designated at FVTPL, the issuer’s ‘own credit’ risk associated with the instrument should be taken into account. This can produce rather counter-intuitive outcomes, such as a financially distressed entity reporting significant gains as the fair value of its debt deteriorates (and vice versa). While developing IFRS 9, the IASB received consistent and widespread feedback that changes in value attributable to changes in an issuer’s own credit risk for non-derivative financial liabilities measured at fair value should not affect profit or loss, as an entity generally cannot realise those amounts. Consequently, IFRS 9 requires those gains and losses attributable to changes in the entity’s own credit risk to be presented in OCI.
What’s next?
The IASB gave constituents 120 days to provide feedback. The comment period closes on 28 March 2013. The IASB will start deliberating comments it receives on the proposals during the second quarter of 2013.

In light of the timeline for this ED, we do not expect a final classification and measurement standard before the middle of 2013. This, in addition to the timeline for the impairment phase and insurance project, will undoubtedly cause some constituents to question whether a 2015 mandatory effective date is feasible for the complete version of IFRS 9. The IASB is expected to request feedback on the effective date as part of its request for comment on its forthcoming ED on the new impairment model.

What does your IFRS 9 implementation road map look like?

Our experience of working with entities that are currently assessing the impact of IFRS 9 suggests that it will take a significant amount of time to implement the changes in a robust and strategic manner. Many entities have included IFRS 9 implementation as a work stream within a large-scale accounting and regulatory change project, and many entities are spending time now to plan the implementation.

1 Represents the years preceding the effective date.
Avoiding disclosure overload in financial statements – improving corporate communication through improved disclosures

Under IFRS, disclosures in financial statements that were initially intended as supplementary addenda to the primary statements, have become increasingly central to much corporate reporting. For most, if not all, entities, the volume of financial statement disclosures has increased significantly over the last two decades. For example, the quantitative data disclosed in the annual report of a major pharmaceutical company increased seven-fold over the last 20 years since it adopted the then-called International Accounting Standards. ¹

Disclosure – too much or too little?

A number of professional accounting bodies and standard setters, including the European Financial Reporting Advisory Group (EFRAG), have recently issued papers exploring ways to reduce the volume of financial statement disclosures. The term ‘disclosure overload’ is being used increasingly to describe the rise in disclosure requirements, raising the question whether the increased volume of disclosures really is too onerous.

“There is often an accusation that disclosures provide too much information and not enough insight, and I’d agree with that,” says Sue Harding, independent analyst, owner of Harding Analysis, and contributor to the UK Financial Reporting Council’s Reporting Lab, “At the same time, I still feel, from a user standpoint, that there is information that’s missing as well.”

We believe that disclosure overload is mainly an application issue. The extent to which the current situation is the result of IFRS requiring too many disclosures is debatable. However, several of the recent initiatives on disclosures focus mainly on paring down disclosure requirements instead of taking a more holistic look at what is being reported for whom. Overload is not necessarily just a question of the volume of disclosures, it is about their value to users. Ideally, financial statements should also help preparers tell the story of their business in a clear, readable way. This does not necessarily mean reducing the number of disclosures, but rather, focusing on the way the financial statements are presented overall, while remaining compliant with the requirements of IFRS.

Harding believes this approach can go a long way towards making a significant difference to the way in which a company is viewed by investors. “In my work, I hear, anecdotally, that the companies not providing the information that is needed for analysis are being overlooked by investors or rated less highly by analysts,” she says. “If something significant in their reporting is confusing, or it looks like they aren’t being transparent, questions may be raised, doubts can emerge and investment may well go somewhere else, in order to avoid the real or perceived risk. Clear disclosure can help eliminate some of these concerns and questions that might, in some instances, arise as a distraction from the case for investment,” says Harding.

What can preparers do differently?

Users often prefer to read summarised information before considering more detailed information. Therefore, presenting the disclosures in the financial statements in a hierarchical manner could enhance the usefulness of the financial statements for communication with users.

HSBC’s Group Chief Accounting Officer, Russell Picot, confirms that a shift from a compliance-based approach towards a communication-based approach for preparing financial statement disclosures was at the heart of HSBC’s work when it reduced the volume of its disclosures by a quarter three years ago. “What you’ll see right up front in our annual report is the risk section, which outlines HSBC’s top emerging risks – the list of risks that the senior management really worries about,” he explains. “Then, in front of each of the risk types – market risk, liquidity risk and so on – you’ll see a description that simply outlines what’s happened in this area.”

How can the IASB tackle the issue?

Although entities may be able to improve their disclosures within the current requirements, additional guidance from the IASB in the form of a disclosure framework would be helpful. Such a framework could guide the Board when developing disclosure requirements and assist preparers in making judgements about disclosures. Input from regulators on a framework would be important, as legal and regulatory requirements are often built around the IFRS disclosures. Materiality is defined as an entity-specific aspect of relevance in the Conceptual Framework. While IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors specifically address materiality, in principle, there is little guidance on how the materiality concept applies to disclosures. Applying materiality to disclosures goes beyond applying the quantitative criteria; it also requires qualitative judgement. The IASB could develop application guidance to assist preparers when making such judgements.

Many entities do not have a communication-based approach towards preparing financial statement disclosures. Additional guidance could emphasise the importance of customising disclosures to the entity's circumstances. The IASB could also clarify which disclosures are not subject to materiality considerations. This would lead to certain disclosures being required for all entities, whereas other disclosures could be required subject to an entity-specific materiality consideration.

Corporate reporting has changed significantly in recent years and has become more sophisticated. Consequently, in what is probably a longer-term project, the IASB may also consider the boundaries of the financial statements and how financial statements can and should interact with other forms of financial reporting (management reporting, corporate governance reporting, etc.). Taken together with considerations on the format of financial statements in the context of modern technology (e.g., XBRL), the IASB's initiatives could complement the broader development of integrated reporting.

Then, from time to time, we stand back and look at the document and ask, “What could we do to change it radically, to restructure it, to reduce it?” We last did that three years ago, and we took out 25% of the document.

That process involves us asking, “Why are we actually saying this? Is that boilerplate? Let's try to clean up our investment story and make it clearer.”

Taking the 25% out was quite a challenge, as it entailed taking out 100 pages. We looked at content, duplication, formatting, regulatory and legislative requirements, and best practice. We talked to a couple of external investors as well as our US securities advisors. So we spent quite a lot of our time thinking about this and engaging in various forums and trying to distil what may be changing in terms of investor needs.

Over the past 20 years, we've been through four or five financial crises, and our response has always been to get on the front foot and make early, and very transparent, disclosures around our risk position, to make sure that the market doesn’t have to guess what's going on.

From our experience over time, we have learned that, when you go through a crisis, if you make early disclosures, the market reacts well and doesn’t penalise your share price, so you are better positioned to survive the next crisis. This cycle can be positive, and we firmly believe that transparent disclosure is really important in helping to influence opinions about your organisation in world markets.
IFRS project update

What’s new?

The following table shows key new publications issued by the IASB since the last edition of IFRS Outlook.

<table>
<thead>
<tr>
<th>Projects</th>
<th>Publication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exposure Draft: Financial instruments: Expected Credit Losses</td>
<td>On 7 March 2013, the IASB issued for public comments an exposure draft (ED) Financial Instruments: Expected Credit Losses as part of its IFRS 9 Financial Instruments project that would require entities to apply an expected credit loss model to their financial assets, lease receivables, loss commitments and financial guarantee contracts. The ED is open for comment until 5 July 2013 and can be accessed at: <a href="http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-publishes-revised-proposals-for-loan-loss-provisioning.aspx">http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-publishes-revised-proposals-for-loan-loss-provisioning.aspx</a></td>
</tr>
<tr>
<td>Exposure Draft: Novation of Derivatives and Continuation of Hedge Accounting (Proposed amendments to IAS 39 and IFRS 9)</td>
<td>On 28 February 2013, the IASB published for public comment an ED of proposed amendments to IAS 39 Financial Instruments: Recognition and Measurement to introduce a narrow scope exception to the requirement for the discontinuation of hedge accounting in IAS 39. The corresponding requirements are proposed to be included in the forthcoming hedge accounting chapter in IFRS 9. The ED can be accessed at: <a href="http://www.ifrs.org/Alerts/ProjectUpdate/Pages/Exposure-Draft-Novation-of-derivatives-and-continuation-of-hedge-accounting.aspx">www.ifrs.org/Alerts/ProjectUpdate/Pages/Exposure-Draft-Novation-of-derivatives-and-continuation-of-hedge-accounting.aspx</a></td>
</tr>
<tr>
<td>Exposure Draft: IFRS Taxonomy 2013</td>
<td>On 18 January 2013, the IFRS Foundation published for public comment an ED IFRS Taxonomy 2013 that contains that proposed taxonomy based on the translation of IFRS standards and interpretations issued as at 1 January 2013 intoXBRL (eXtensible Business Reporting Language). The ED can be accessed at: <a href="http://www.ifrs.org/Alerts/XBRL/Pages/Exposure-Draft-of-the-IFRS-Taxonomy-2013.aspx">www.ifrs.org/Alerts/XBRL/Pages/Exposure-Draft-of-the-IFRS-Taxonomy-2013.aspx</a></td>
</tr>
<tr>
<td>Exposure Draft: Recoverable Amount Disclosures for Non-Financial Assets (Proposed Amendments to IAS 36)</td>
<td>On 18 January 2013, the IASB published for public comment an ED of proposed modifications to the disclosures in IAS 36 Impairment of Assets for the measurement of the recoverable amount of impaired assets. Those disclosure requirements were introduced by IFRS 13 Fair Value Measurement. The ED is open for comment until 19 March 2013 and can be accessed at: <a href="http://www.ifrs.org/Alerts/ProjectUpdate/Pages/ED-Recoverable-Amount-Disclosures-for-Non-Financial-Assets.aspx">www.ifrs.org/Alerts/ProjectUpdate/Pages/ED-Recoverable-Amount-Disclosures-for-Non-Financial-Assets.aspx</a></td>
</tr>
<tr>
<td>IFRS Foundation’s first chapter of the educational material on IFRS 13 Fair Value Measurement</td>
<td>On 20 December 2012, the IFRS Foundation published the first chapter of educational material to support IFRS 13. The chapter addresses the fair value measurement of unquoted equity instruments. It is relevant to the measurement of equity investments within the scope of IFRS 9. The chapter can be accessed at: <a href="http://www.ifrs.org/Alerts/Publication/Pages/Fair-Value-Measurement-December-2012.aspx">www.ifrs.org/Alerts/Publication/Pages/Fair-Value-Measurement-December-2012.aspx</a></td>
</tr>
<tr>
<td>Exposure Draft: Clarification of Acceptable Methods of Depreciation and Amortisation Proposed amendments to IAS 16 and IAS 38</td>
<td>On 4 December 2012, the IASB published for public comment an ED of proposed amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. The ED is open for comment until 2 April 2012 and can be accessed at: <a href="http://www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-publishes-proposals-for-IAS-16-and-IAS-38.aspx">www.ifrs.org/Alerts/ProjectUpdate/Pages/IASB-publishes-proposals-for-IAS-16-and-IAS-38.aspx</a></td>
</tr>
</tbody>
</table>
Current discussions
The Boards are jointly re-deliberating their second ED on revenue recognition, and are preparing to issue a second ED on leases in mid 2013. Separate documents on financial instruments have been issued or are expected to be issued in early 2013. The IASB deliberated on a number of topics, including: the conceptual framework; recognition of deferred tax assets for unrealised losses; accounting for macro hedging; insurance contracts; revenue recognition; the recoverable amount disclosures for non-financial assets; bearer biological assets; and rate-regulated activities.

The IFRS Interpretations Committee met on 22-23 January 2013 and 12-13 March 2013 to deliberate a number of issues, including:

- The accounting for variable payments for the separate acquisition of property, plant and equipment and intangible assets
- The accounting for continuing employment in a business combination
- The accounting for a non-cash acquisition of a non-controlling interest
- The impairment of investments in associates in separate financial statements
- Determining the discount rates for measuring post-employment benefit obligations
- The definitions of operating, financing and investing activities under IAS 7 Statement of Cash Flows
- Re-issuing previously issued financial statements
- The accounting for a structure that appears to lack the physical characteristics of a building
- The Draft Interpretation on levies
- The definition of ‘vesting conditions’ under IFRS 2 Share-based Payment
- The accounting for mandatory purchase of non-controlling interests in business combinations

Updates from the IASB and the Interpretations Committee meetings can be found at www.ifrs.org/Updates.

IASB work plan
The IASB updated its work plan on 26 February 2013, to reflect the outcome of the Board’s Agenda Consultation 2011 and other IASB decisions. A number of new projects have been added to the work plan, including:

- A new project on rate-regulated activities to be completed in two phases: an interim standard (ED expected in the second quarter of 2013) and a comprehensive project (discussion paper expected in the fourth quarter of 2013)
- A new project on deferred tax assets for unrealised losses, split out separately from the annual improvements process, with an ED expected in the fourth quarter of 2013
- A narrow scope amendment to modify the disclosures under IAS 36 Impairment of Assets for recoverable amount disclosures for non-financial assets, with the amendments expected in second quarter of 2013
- A new project on employee contributions to defined benefit plans (an ED expected in the first quarter of 2013).

Also the timing of due process documents on a number of projects are clarified or extended.

The work plan can accessed at www.ifrs.org
The following is a list of IFRS publications issued since the last edition of *IFRS Outlook*. The publications are all available at www.ey.com/ifrs.

**IFRS Developments: Issues 48 – 55**

**Issue 48: Exposure drafts issued on narrow amendments to IFRS 10, IFRS 11 and IAS 28**
This issue summarises the two exposure drafts (EDs) issued by the IASB: the proposed amendment to IFRS 11 Joint Arrangements that clarifies how to account for an acquisition of an interest in a joint operation that is a business as defined in IFRS 3 Business Combinations and the proposed amendments to IAS 28 (2011) Investments in Associates and Joint Ventures and IFRS 10 Consolidated Financial Statements that clarify how to account for the sale/contribution of assets by an investor to its associate or joint venture.

**Issue 49: Boards progress further on revenue re-deliberations**
This issue summarises the Boards’ joint re-deliberations of the revenue recognition ED in relation to allocating the transaction price, constraining revenue recognised for sales-based royalties and capitalising contract acquisition costs.

**Issue 50: Important changes to hedge accounting — but also a further delay**
This issue summarises some important changes and clarifications to the hedge accounting section of financial instruments standard made by the IASB in its January 2013 meeting.

**Issue 51: Boards address various application issues in the revenue proposal**
This issue summarises the tentative decisions made by the Boards, in January 2013, on their joint revenue recognition proposal, regarding scope, repurchase agreements and transfers of certain non-financial assets that are not an output of an entity’s ordinary activities.

**Issue 52: Boards revisit disclosure, transition and effective date in the revenue project**
This issue summarises the tentative decisions of the Boards, in February 2013, on the transition method, effective date and disclosures for annual and interim financial statements at their deliberations on the revenue project.

**Issue 53: Proposed amendments to IAS 39 and IFRS 9 to allow novated derivatives to be continuing hedges**
This issue summarises the ED issued by the IASB proposing that hedge accounting need not be discontinued when derivatives designated in hedging relationships are required to be novated to a central counterparty as a result of a law or regulation.

**Issue 54: IASB proposes new expected credit loss model**
This issue summarises the proposals in ED *Financial Instruments: Expected Credit Losses* recently issued by the IASB proposing an expected credit loss model for financial assets, lease receivables, loan commitments and financial guarantee contracts.

**Issue 55: Financial revenue standard is taking shape**
This issue summarises some of the significant changes to the 2011 ED, which is planned to be issued as a new standard by the middle of 2013.
Applying IFRS

Applying IFRS: IFRS 10 — Consolidation for fund managers
This edition takes a closer look at the impact of the IASB's newly applicable standard, IFRS 10, on fund managers and their funds, and considers some typical examples that might apply in the industry.

Applying IFRS in Real Estate — Fair value implications for the real estate sector and example disclosures for real estate entities
This edition focuses on the implications of IFRS 13 Fair Value Measurement in the real estate sector and also provides selected illustrative disclosures of a real estate entity in its first set of financial statements after the adoption of IFRS 13.

IFRS Core Tools

Good Group (International) Limited — Illustrative Interim Condensed Consolidated Financial Statements (28 February 2013)
This edition contains the illustrative interim condensed consolidated financial statements of Good Group (International) Limited and subsidiaries for the interim period ended 30 June 2013. It is prepared in accordance with IFRS issued as at 28 February 2013 and effective for annual periods beginning on or after 1 January 2013.

IFRS Update
This publication provides an overview of the effective and upcoming changes in IFRS, highlighting key aspects of these changes. It includes changes finalised by 28 February 2013 and is primarily applicable to fiscal years ended March 2013 and thereafter.

Other publications

Joint Project Watch — December 2012
This publication provides a snapshot of key developments on the IASB and FASB's joint projects from an IFRS perspective.

IFRS Practical Matters: New accounting standard for lessees: Are we there yet?
This publication summarises the proposed requirements for lessees based on the IASB and FASB's joint re-deliberations of the proposed leases standard and explores how the revised proposal would affect a lessee's finance, tax, IT systems and business processes.

IFRS Practical Matters: Boards re-examine lessor accounting
This edition summarises the proposed requirements for lessors based on IASB and FASB's joint re-deliberations of the proposed leases standard, and explores how the revised proposal would affect a lessor's finance, tax, IT systems and business processes.

Refining IFRS — Mining & Metals: Spin-off transactions — Addressing the key financial reporting challenges
This edition explores some of the financial reporting challenges and the key areas of judgement associated with accounting for spin-offs of non-core or non-strategic assets in the mining and metals sector.

Surveying IFRS in Real Estate
This publication surveys 40 real estate entities from around the world focusing on their current issues and financial statements reporting and also on the entities' sustainability and corporate social responsibility reporting in 2011/2012.

Upcoming Publication

International GAAP Disclosure Checklist
This edition of the International GAAP Disclosure Checklist reflects IFRS issued through to 28 February 2013. It is applicable for entities with a year-end of 30 June 2013 or thereafter. The checklist is available in a variety of formats.
About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 167,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit www.ey.com.

© 2013 EYGM Limited. All Rights Reserved.

EYG no. AU1495

ED none

About Ernst & Young’s International Financial Reporting Standards Group

The move to International Financial Reporting Standards (IFRS) is the single most important initiative in the financial reporting world, the impact of which stretches far beyond accounting to affect every key decision you make, not just how you report it. We have developed the global resources – people and knowledge – to support our client teams. And we work to give you the benefit of our broad sector experience, our deep subject matter knowledge and the latest insights from our work worldwide. It’s how Ernst & Young makes a difference.

In line with Ernst & Young's commitment to minimise its impact on the environment, this document has been printed on paper with a high recycled content.

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither EYGM Limited nor any other member of the global Ernst & Young organization can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.