

IFRS Briefing Sheet

IASB's Projects Overview

February 2009, **Issue 125**

This IFRS Briefing Sheet summarises the status of the current projects of the International Accounting Standards Board (IASB or Board). It reflects significant discussions of the IASB up to and including those that took place at its January 2009 meeting.

The following project summaries set out a description of each project and the major areas of existing IFRSs that may be affected by the project. IASB documents related to the project are identified and the latest estimates of the timing to completion noted.

**A supplement to KPMG's
publication IFRS in Brief**

Project description	Overview	Timing / Status
Annual improvements	<p>The annual improvements project (AIP) is the IASB's process for dealing with non-urgent but necessary amendments to IFRSs. The 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>The IASB plans to repeat the AIP process annually. As part of this process, an exposure draft (ED) of proposed non-urgent but necessary improvements is planned to be published in August each year, with an associated comment period of 90 days. The final improvements will be published the following April. Effective dates, early application and transitional measurements will be dealt with on a proposal by proposal basis.</p> <p>In August 2008, as part of the 2009 AIP, the IASB published an ED of <i>Proposed Improvements to IFRSs</i>. The ED contains 12 proposed amendments to eight standards.</p> <p>A summary of this ED can be found in <i>IFRS Briefing Sheet – Issue 102: Exposure Draft of Proposed Improvements to IFRSs</i>.</p>	<p>Active agenda project – amendments to existing standards</p> <p>An omnibus ED containing the proposed 2009 improvements was published in August 2008.</p> <p>The comment period closed on 7 November 2008.</p> <p>The final 2009 improvements are expected in the second quarter of 2009.</p> <p>An ED on the 2010 improvements is expected in the second half of 2009.</p>
Common control transactions	<p>The objective of this project is to provide guidance on the acquisition of businesses amongst entities under common control; this project is intended to provide guidance in respect of the consolidated and separate financial statements of the purchasing entity.</p> <p>The project also will examine the accounting for de-mergers.</p>	<p>Active agenda project – new standards and major projects</p> <p>The expected timing and initial type of document to be published as part of this project are yet to be determined by the IASB.</p>
Conceptual framework	<p>This is a joint project with the U.S. Financial Accounting Standards Board (FASB), the objective of which is to develop a common conceptual framework for financial reporting that is both complete and internally consistent. The framework will be built upon the IASB's and FASB's (together the Boards) existing conceptual frameworks and will provide a basis for the development of future accounting standards by the Boards.</p> <p>The Boards have identified the following phases of this project:</p> <p>A: Objectives and qualitative characteristics B: Elements and recognition C: Measurement D: Reporting entity E: Presentation and disclosure F: Purpose and status G: Application to not-for-profit entities H: Remaining issues, if any.</p>	<p>An ED on phase A was published in May 2008. The comment period for this ED closed on 29 September 2008.</p> <p>A final chapter on phase A is expected in the second quarter of 2009.</p> <p>A Discussion Paper (DP) on phase B is expected in the first half of 2010.</p> <p>The expected timing of an ED and a final chapter on phase B are yet to be determined by the IASB.</p>

Project description	Overview	Timing / Status
	<p>In May 2008, as a second step in phase A of the project, the IASB published its ED of <i>An improved Conceptual Framework for Financial Reporting: Chapter 1: The Objective of Financial Reporting Chapter 2: Qualitative Characteristics and Constraints of Decision-useful Financial Reporting Information</i>. This ED discusses the objective of general purpose financial reporting for business entities in the private sector and the qualitative characteristics and constraints of decision-useful financial reporting information.</p> <p>A summary of this ED can be found in <i>IFRS Briefing Sheet – Issue 95: IASB Exposure Draft of An improved Conceptual Framework for Financial Reporting: Chapter 1: The Objective of Financial Reporting Chapter 2: Qualitative Characteristics and Constraints of Decision-useful Financial Reporting Information</i>.</p> <p>In May 2008, with respect to phase D of the project, the IASB published a DP <i>Preliminary Views on an improved Conceptual Framework for Financial Reporting: The Reporting Entity</i>. This DP discusses views about determining what constitutes a reporting entity for the purposes of financial reporting.</p> <p>A summary of this DP can be found in <i>IFRS Briefing Sheet – Issue 93: Discussion Paper Preliminary Views on an improved Conceptual Framework for Financial Reporting: The Reporting Entity</i>.</p> <p>At its January 2009 meeting the Board tentatively decided, among other things, to revise the description of a reporting entity to clarify that a reporting entity does not necessarily have to be a legal entity. Furthermore the Board clarified the difference between presenting consolidated financial statements and combined financial statements, and that parent-only financial statements would be presented together with consolidated financial statements.</p> <p>At their joint meeting in October 2008, the Boards tentatively adopted the working definitions of an asset and a liability for phase B of their joint project. The Boards will consider at future meetings how this working definition interacts with the Board's joint project on financial instruments with characteristics of equity.</p>	<p>Round-table discussions on phase C were held in the first quarter of 2007.</p> <p>A DP on phase C is expected in the second half of 2009.</p> <p>An ED on phase C is expected in the second half of 2010.</p> <p>The expected timing of a final chapter on phase C is yet to be determined by the IASB.</p> <p>A DP on phase D was published in May 2008. The comment period for this DP closed on 29 September 2008.</p> <p>An ED on phase D is expected in the second half of 2009.</p> <p>The expected timing of a final chapter on phase D is yet to be determined by the IASB.</p> <p>The expected timing and initial type of documents to be published as part of phases E, F, G and H are yet to be determined by the IASB.</p>

Project description	Overview	Timing / Status
<p>Consolidation, including special purpose entities (SPEs) (convergence with U.S. GAAP)</p>	<p>The objective of this project is to publish a single IFRS on consolidation to replace IAS 27 <i>Consolidated and Separate Financial Statements</i> and SIC-12 <i>Consolidation – Special Purpose Entities</i>. The project was accelerated in response to the global financial crisis and the recommendations of the Financial Stability Forum.</p> <p>In December 2008 the IASB published ED 10 <i>Consolidated Financial Statements</i>. The ED proposes for all entities, including SPEs (in the ED referred to as “structured entities”), a single control model that would replace current IAS 27 and SIC-12. In addition, the ED proposes extensive disclosures in respect of an entity’s involvement with structured entities that are not consolidated.</p> <p>A summary of this ED can be found in <i>IFRS Briefing Sheet Issue – 119: Exposure Draft 10 Consolidated Financial Statements</i>.</p> <p>At the joint meeting in October 2008, the Boards agreed that decisions about convergence in this area would be made after the IASB published its ED and the FASB has received comments on its recently published ED proposing amendments to FASB Interpretation No. 46 (R) <i>Consolidation of Variable Interest Entities</i> (the FASB ED). The FASB ED addresses only consolidation of variable interest entities whereas the scope of the IASB’s ED is broader and addresses all entities. As noted in the Basis for Conclusions of the IASB’s ED, the Boards plan to investigate ways to conduct their consolidation project as a joint project in the future.</p>	<p>Active agenda project – new standards and major projects</p> <p>Round-table discussions on the consolidation project were held in September 2008.</p> <p>An IASB ED was published in December 2008.</p> <p>The comment period closes on 20 March 2009.</p> <p>A final standard is expected in the second half of 2009.</p>
<p>Earnings per share (partial convergence with U.S. GAAP)</p>	<p>The objective of this project is to simplify the earnings per share (EPS) calculation and reduce differences between IAS 33 <i>Earnings per Share</i> and U.S. Statement of Financial Accounting Standard (SFAS) 128 <i>Earnings per Share</i>.</p> <p>In August 2008 the IASB published an ED <i>Simplifying Earnings per Share – Proposed Amendments to IAS 33</i>. The proposed amendments to IAS 33 focus in particular on:</p> <ul style="list-style-type: none"> • establishing a common denominator for the EPS calculation • proposing the use of a fair value model to replace the treasury stock method • requiring a two-class method for computing basic earnings per share for mandatorily convertible instruments with stated participation rights. <p>A summary of this ED can be found in <i>IFRS Briefing Sheet – Issue 101: Exposure Draft Simplifying Earnings per Share – Proposed Amendments to IAS 33</i>.</p>	<p>Active agenda project – amendments to existing standards</p> <p>An ED was published in August 2008.</p> <p>The comment period closed on 5 December 2008.</p> <p>A final standard is expected in the second half of 2009.</p>

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Emission trading schemes	<p>The objective of this joint project with the FASB is to address the underlying accounting for emission trading schemes. This project interacts with the project to revise IAS 20 <i>Accounting for Government Grants and Disclosure of Government Assistance</i> with regard to when emission trading schemes are granted by the government. It also interacts with the revenue recognition and liabilities projects.</p> <p>At its May 2008 meeting the Board tentatively decided that the emission trading schemes project would be broad in scope and cover the accounting for all tradeable emissions rights and obligations under various emission trading schemes.</p>	<p>Active agenda project – new standards and major projects</p> <p>An ED is expected in the second half of 2009.</p> <p>A final standard is expected in 2010.</p>
Extractive activities	<p>The objective of this research project is to develop an internationally acceptable approach to accounting issues in the extractive industries. The research project team is considering all issues associated with accounting for upstream extractive activities, with a focus on the definition, recognition, measurement and disclosure of reserves / resources, including the accounting for exploration costs.</p> <p>The Board has held education sessions on the research project, which included topics such as the definition, recognition and measurement of reserves and resources. As a result of the education sessions, an industry working group has undertaken a project to review the definitions of reserves and resources for oil and gas and minerals to identify the potential for convergence of the definitions and to identify approaches that would promote a common understanding of these definitions.</p> <p>The resulting standard would replace IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>.</p>	<p>Research agenda project</p> <p>A DP is expected in the first quarter of 2009.</p> <p>The expected timing of subsequent documents to be published as part of this project is yet to be determined by the IASB.</p>
Fair value measurement guidance (convergence with U.S. GAAP)	<p>The objective of this project is to establish a single source of guidance for all fair value measurements, to clarify the definition of fair value and related guidance, and to enhance disclosures about fair value. The project is not intended to introduce or require any new fair value measurements.</p> <p>In 2006 the IASB published a DP <i>Fair Value Measurements</i>. This DP sets out the IASB's preliminary views on SFAS 157 <i>Fair Value Measurements</i>.</p> <p>A summary of this DP can be found in <i>IFRS Briefing Sheet – Issue 60: Discussion Paper Fair Value Measurements</i>.</p>	<p>Active agenda project – new standards and major projects</p> <p>A DP was published in November 2006.</p> <p>The comment period closed on 4 May 2007.</p> <p>The IASB Expert Advisory Panel published a final report on 31 October 2008.</p>

Project description	Overview	Timing / Status
	<p>In May 2008 the IASB formed an Expert Advisory Panel (the Panel) with the objective of assisting the IASB in reviewing best practices in the area of valuation techniques and formulating any necessary additional guidance on valuation methods for financial instruments and related disclosures when markets are no longer active.</p> <p>On 31 October 2008 the IASB published the Panel's final report <i>Measuring and disclosing the fair value of financial instruments in markets that are no longer active</i> (the Panel Report), together with an accompanying IASB Staff Summary. The Panel Report summarises the discussions of the Panel and provides useful information and educational guidance for measuring and disclosing fair values and for meeting the requirements of IFRSs. It does not establish new requirements for entities applying IFRSs.</p> <p>A summary of the Panel Report and the accompanying IASB Staff Summary can be found in <i>IFRS Briefing Sheet – Issue 111: IASB Expert Advisory Panel final report Measuring and disclosing the fair value of financial instruments in markets that are no longer active, and accompanying IASB Staff Summary</i>.</p> <p>At its January 2009 meeting the Board tentatively decided that the ED will propose to require a number of fair value measurement related disclosures, including disclosure by level of the fair value hierarchy.</p>	<p>An ED is expected in the first quarter of 2009.</p> <p>A final standard is expected in the first half of 2010.</p>
<p>Financial instruments: derecognition (convergence with U.S. GAAP)</p>	<p>The objective of this joint project with the FASB is to develop a new approach to the derecognition of assets, with an initial focus on financial assets, that would be an improvement to the current approaches outlined in IAS 39 <i>Financial Instruments: Recognition and Measurement</i> and SFAS 140 <i>Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities</i>.</p> <p>At its November and December 2008 meetings and its January 2009 meeting, the IASB discussed a derecognition principle for financial assets. The Board tentatively decided that, under that principle, an entity should derecognise a financial asset or component thereof when it no longer qualifies as an asset of the entity (i.e., when the future economic benefits no longer exist or the future economic benefits exist but the entity ceases to have the ability to both obtain the future economic benefits inherent in the asset / component and restrict others' access to those benefits). The Boards are considering two approaches to making that principle operational.</p>	<p>Active agenda project – new standards and major projects</p> <p>An ED is expected in the first half of 2009.</p> <p>A final standard is expected either in the second half of 2009 or in the first half of 2010.</p>

Project description	Overview	Timing / Status
<p>Financial instruments: enhanced disclosures about fair value measurement and liquidity (IFRS 7 <i>Financial Instruments: Disclosures</i>)</p>	<p>The IASB has accelerated its work on potential amendments to IFRS 7 in response to the recommendations of the Financial Stability Forum. The IASB held meetings in September and October of 2008 to discuss the proposed amendments to IFRS 7, the length of the exposure period and the likely effective date of these amendments.</p> <p>The objective of this project is to propose enhancements to disclosures about fair value measurement and about liquidity risks.</p> <p>In October 2008 the IASB published an ED <i>Improving Disclosures about Financial Instruments – Proposed amendments to IFRS 7</i>. The proposed amendments to IFRS 7:</p> <ul style="list-style-type: none"> • clarify that liquidity disclosures are required only for financial liabilities that result in the outflow of cash or another financial asset • require entities to provide quantitative disclosures based on how they manage liquidity risk for derivative financial liabilities • require entities to disclose the remaining expected maturities of non-derivative financial liabilities if they manage liquidity risk on the basis of expected maturities • strengthen the relationship between qualitative and quantitative disclosures about liquidity risk. <p>The ED proposes disclosure requirements that are based on a three-level fair value hierarchy (similar to that used in SFAS 157).</p> <p>A summary of this ED can be found in <i>IFRS Briefing Sheet – Issue 109: Exposure Draft Improving Disclosures about Financial Instruments – Proposed amendments to IFRS 7</i>.</p> <p>In December 2008 the IASB published an ED <i>Investments in Debt Instruments – Proposed amendments to IFRS 7</i>, with a comment period that ended on 15 January 2009. At its January 2009 meeting the IASB decided not to proceed with the proposed amendments at this time, and will consider the issues addressed in the ED, and any other related issues, in its broader project on improving the accounting for financial instruments.</p>	<p>Active agenda project – amendments to existing standards</p> <p>An ED was published in October 2008.</p> <p>The comment period closed on 15 December 2008.</p> <p>A final standard is expected in the first quarter of 2009.</p>
<p>Financial instruments with the characteristics of equity (convergence with U.S. GAAP)</p>	<p>The objective of this long-term joint project with the FASB is to have more relevant, understandable and comparable requirements for determining the classification of financial instruments that have the characteristics of liabilities, equity, or both.</p>	<p>Active agenda project – new standards and major projects</p> <p>A DP was published in February 2008.</p>

Project description	Overview	Timing / Status
	<p>In February 2008 the IASB published a DP <i>Financial Instruments with Characteristics of Equity</i> (the IASB DP). The IASB DP comprises the FASB Preliminary Views document on <i>Financial Instruments with Characteristics of Equity</i> (FASB document), which was published in November 2007, and an IASB Invitation to Comment.</p> <p>The objective of the DP is for the IASB to establish whether the FASB document is the most suitable basis for the IASB's discussions on distinguishing between liabilities and equity and also whether it could form a basis for a possible joint standard on the subject.</p> <p>A summary of this the IASB DP can be found in <i>IFRS Briefing Sheet – Issue 88: IASB Discussion Paper Financial Instruments with Characteristics of Equity</i>.</p> <p>In October 2008 the IASB discussed comments received on the DP and which approach to identifying equity instruments to use as a starting point.</p> <p>At their joint meeting in October 2008, the Boards decided to commence deliberations using the principles underlying the perpetual and basic ownership approaches. The IASB discussed these principles at its November 2008 meeting as well. The IASB tentatively decided that:</p> <ul style="list-style-type: none"> • perpetual instruments, including perpetual basic ownership instruments but excluding redeemable instruments, will be classified as equity • derivatives on an issuer's own equity instruments will be classified as non-equity. 	<p>The comment period closed on 5 September 2008.</p> <p>An ED is expected in the second half of 2009.</p> <p>A final standard is expected in 2011.</p>
<p>Financial instruments: replacement of existing standards (convergence with U.S. GAAP)</p>	<p>The objective of this long-term joint project is to develop a less complex and more principles-based standard on the accounting for financial instruments. The project will involve a fundamental reconsideration of the accounting for financial instruments in areas such as measurement and hedge accounting.</p> <p>In March 2008 the IASB published a DP <i>Reducing Complexity in Reporting Financial Instruments</i>. The objective of the DP is to gather information to assist the IASB in its decision on how to proceed with developing a new standard on the accounting for financial instruments, which is consistent with the IASB's and the FASB's long-term objective of measuring all financial instruments at fair value.</p> <p>A summary of this DP can be found in <i>IFRS Briefing Sheet – Issue 89: IASB Discussion Paper Reducing Complexity in Reporting Financial Instruments</i>.</p>	<p>Active agenda project – new standards and major projects</p> <p>A DP was published in March 2008.</p> <p>The comment period closed on 19 September 2008.</p> <p>An agenda decision is expected in the first quarter of 2009.</p> <p>The expected timing of subsequent documents to be published as part of this project is yet to be determined by the IASB.</p>

Project description	Overview	Timing / Status
<p>Financial statement presentation (convergence with U.S. GAAP)</p>	<p>The objective of this joint project with the FASB is to enhance the usefulness of information presented in the primary financial statements. The project represents a fundamental reconsideration of the contents of primary financial statements.</p> <p>Phase A of the project focused on convergence issues related to the content of primary financial statements and comparative data, and the revised version of IAS 1 was published in September 2007. The revised standard is effective for annual periods beginning on or after 1 January 2009, with early application permitted.</p> <p>A summary of IAS 1 (Revised) can be found in <i>IFRS Briefing Sheet – Issue 74: Revised Standard IAS 1 Presentation of Financial Statements</i>.</p> <p>Phase B of the project focuses on more detailed issues related to the presentation of information on the face of the financial statements, including principles for aggregating information and required totals and subtotals.</p> <p>In October 2008 the IASB and FASB published a DP <i>Preliminary Views on Financial Statement Presentation</i>. The DP contains an analysis of presentation and display issues relating to financial statements, and presents the Boards' initial thinking about how these issues could be addressed in a possible future financial statement format.</p> <p>A summary of this DP can be found in <i>IFRS Briefing Sheet – Issue 110: Discussion Paper Preliminary Views on Financial Statement Presentation</i>.</p> <p>Phase C of the project, about which deliberations have not yet commenced, is expected to focus on interim reporting.</p> <p>The project will not consider:</p> <ul style="list-style-type: none"> • how to assess whether an item of income or expense should be recognised outside of profit or loss • whether and when items of income or expense initially recognised in other comprehensive income are reclassified to profit or loss. <p>Additionally, the project will not propose further changes to the statement of changes in equity.</p>	<p>Active agenda project – new standards and major projects</p> <p>The revised standard IAS 1 resulting from phase A was published in September 2007.</p> <p>A DP on phase B was published in October 2008.</p> <p>The comment period closes on 14 April 2009.</p> <p>An ED is expected in the first half of 2010.</p> <p>A final standard is expected in 2011.</p>

Project description	Overview	Timing / Status
<p>First-time adoption of IFRSs (IFRS 1): additional exemptions</p>	<p>The objective of this project is to address practical issues that are being raised by constituents in countries that are planning their adoption of IFRSs.</p> <p>In September 2008 the IASB published an ED <i>Additional Exemptions for First-time Adopters – Proposed amendments to IFRS 1</i>.</p> <p>The ED proposes the following additional optional exemptions for first-time adopters of IFRSs:</p> <ul style="list-style-type: none"> • deemed cost exemption for oil and gas assets for entities in the oil and gas industry that used full cost accounting under previous GAAP • deemed cost exemption for the carrying amount of property, plant and equipment used in operations subject to rate regulation • exemption from the reassessment of lease determination in certain circumstances. <p>A summary of this ED can be found in <i>IFRS Briefing Sheet – Issue 104: Exposure Draft Additional Exemptions for First-time Adopters – Proposed amendments to IFRS 1</i>.</p>	<p>Active agenda project – amendments to existing standards</p> <p>An ED was published in September 2008.</p> <p>The comment period closed on 23 January 2009.</p> <p>A final standard is expected in the second half of 2009.</p>
<p>Government grants</p>	<p>The objective of this project is to resolve inconsistencies between the recognition requirements under IAS 20 <i>Accounting for Government Grants and Disclosure of Government Assistance</i> and the <i>Framework for the Preparation and Presentation of Financial Statements</i> (Framework). There are a number of interactions between this project and other projects, and the work on this project has been deferred pending the progress in other related projects such as liabilities, revenue recognition and emission trading schemes.</p>	<p>Active agenda project – new standards and major projects</p> <p>Work on this project has been deferred pending the progress in other related projects.</p> <p>The expected timing and initial type of document to be published are yet to be determined by the IASB.</p>
<p>IFRS for Non-publicly Accountable Entities (formerly the IFRS for Small and Medium-sized Entities)</p>	<p>The objective of this project is to develop an IFRS that would facilitate financial reporting by, and provide accounting standards suitable for, non-publicly accountable entities that want to use international standards.</p> <p>In February 2007 the Board published an ED of a <i>Proposed IFRS for Small and Medium-sized Entities</i>. At its January 2009 meeting the Board tentatively decided that the name of the final standard would be changed to International Financial Reporting Standard for Non-publicly Accountable Entities (IFRS for NPAEs).</p>	<p>Active agenda project – new standards and major projects</p> <p>An ED was published in February 2007.</p> <p>The comment period closed on 30 November 2007.</p> <p>A final standard is expected in the second quarter of 2009.</p>

Project description	Overview	Timing / Status
	<p>The ED proposes a simplified and slimmed-down version of full IFRSs. It is intended that the resulting IFRS will contain significantly less guidance than full IFRSs; accordingly, even when the general principles in the proposals appear to be the same as those in full IFRSs, differences in application may result.</p> <p>A summary of the ED can be found in <i>IFRS Briefing Sheet – Issue 62: Exposure Draft of IFRS for Small and Medium-sized Entities</i>.</p> <p>The Board commenced its redeliberations of this project in March 2008 based on comments received on the ED. Since then the Board has made several tentative decisions on almost all sections of the ED. Some of these decisions reaffirmed the proposals in the ED, but a large number of them will result in changes to the proposals set out in the ED. These tentative decisions are too numerous to mention in this Briefing Sheet; for further information see our publication <i>IFRS in Brief – Issue 53</i> summarising the key decisions from previous IASB meetings.</p> <p>Some of the more significant tentative decisions made by the Board to date on general issues not relating to specific sections of the ED include:</p> <ul style="list-style-type: none"> • the resulting standard should be a separate stand-alone document and will not include cross references to full IFRSs, except for a cross-reference to the three financial instruments standards • in respect of accounting policy options contained in full IFRSs, some of those options will not be available in the IFRS for NPAEs (e.g., the revaluation model for property, plant and equipment and intangible assets); for the options that remain, the less complex option will be contained in the body of the standard, while the more complex option will be made available and included in an appendix • the standard will not address segment information, earnings per share and interim reporting • the standard will exclude from its scope small listed entities and entities whose primary business is to hold funds in a fiduciary capacity • the resulting standard will incorporate standards and interpretations published after the ED. 	

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<p>Income taxes: amendments to IAS 12 <i>Income Taxes</i> (convergence with U.S. GAAP)</p>	<p>Both IAS 12 and SFAS 109 <i>Accounting for Income Taxes</i> are based on the balance sheet liability approach to accounting for deferred taxes. However, differences arise because both standards have exceptions to their basic principles. The objective of this joint project with the FASB is not to reconsider the underlying approach, but rather to eliminate exceptions to the basic principles.</p> <p>Convergence issues being considered as part of the project include:</p> <ul style="list-style-type: none"> • definition of tax base • definitions of tax credit and investment tax credit • exceptions from the temporary difference approach and proposition to remove the exemption from initial recognition • measurement of deferred tax assets and liabilities • recognition of deferred tax assets • allocation of tax to components of profit or loss or equity • balance sheet classification • additional guidance from SFAS 109 • uncertain tax positions • disclosures • transitional arrangements. <p>The IASB has made tentative decisions with respect to most convergence issues.</p> <p>Currently the FASB is reviewing its strategy for short-term convergence projects in light of the possibility that some or all U.S. public companies might be permitted or required to adopt IFRS at some future date. At the conclusion of that review, the FASB will decide whether to undertake a project that would eliminate differences in the accounting for income taxes by adopting IAS 12. The FASB has suspended current deliberations on the income tax project, pending the results of that review.</p>	<p>Active agenda project – new standards and major projects</p> <p>An ED is expected in the first quarter of 2009.</p> <p>A final standard is expected in the first half of 2010.</p>
<p>Insurance contracts: phase II</p>	<p>The objective of this project is to develop an IFRS on insurance contracts. In phase II, the current phase, the IASB intends to develop a standard that would replace the interim standard IFRS 4 <i>Insurance Contracts</i>.</p> <p>In May 2007 the IASB published a DP <i>Preliminary Views on Insurance Contracts</i> as part of phase II of its insurance project. This DP addresses accounting for insurance contracts issued by insurers and reinsurance contracts held by insurers. Although the Board plans to address policyholder accounting in the insurance contracts project, this is not addressed in the DP.</p>	<p>Active agenda project – new standards and major projects</p> <p>A DP was published in May 2007.</p> <p>The comment period closed on 16 November 2007.</p> <p>An ED is expected in the second half of 2009.</p>

Project description	Overview	Timing / Status
	<p>The Board has proposed the following in respect of insurance contracts:</p> <ul style="list-style-type: none"> • measure insurance liabilities at current exit value • measure insurance liabilities based on discounted expected future cash flows calculated using probability-weighted and current estimates of contractual cash flows and including explicit and unbiased estimates of risk and service margins. <p>A summary of this DP can be found in <i>IFRS Briefing Sheet – Issue 68: Discussion Paper Preliminary Views on Insurance Contracts</i>.</p> <p>Since publishing the DP, the IASB has made no decisions in relation to this project. On 29 October 2008 the FASB Chairman announced that the FASB has decided to join in the IASB's insurance contracts project.</p>	<p>A final standard is expected in 2011.</p>
<p>Intangible assets (convergence with U.S. GAAP)</p>	<p>The objective of this research project is to consider accounting issues relating to the initial and subsequent accounting for identifiable intangible assets other than those acquired in a business combination.</p> <p>The results of the research project will be considered by the Boards at a later date, with a view to determining whether the project should be added to the Boards' joint agenda as an active project.</p>	<p>Research agenda project</p> <p>The expected timing and initial type of document to be published as part of this project are yet to be determined by the IASB.</p>
<p>Joint ventures (convergence with U.S. GAAP)</p>	<p>The objective of this project is to reduce joint venture accounting differences between IFRSs and U.S. GAAP.</p> <p>In September 2007 the IASB published ED 9 <i>Joint Arrangements</i>, which proposes accounting for joint arrangements based on the contractual rights and obligations agreed to by the parties to joint arrangements; the legal form of the arrangement no longer would be the most significant consideration in determining the accounting for joint arrangements. The ED proposes that an entity recognise an interest in a joint venture, previously a "jointly controlled entity", using the equity method. Unlike IAS 31 <i>Interests in Joint Ventures</i>, proportionate consolidation would not be permitted.</p> <p>A summary of this ED can be found in <i>IFRS Briefing Sheet – Issue 76: Exposure Draft 9 Joint Arrangements</i>.</p>	<p>Active agenda project – amendments to existing standards</p> <p>An ED was published in September 2007.</p> <p>The comment period closed on 11 January 2008.</p> <p>A final standard is expected in the second quarter of 2009.</p>

Project description	Overview	Timing / Status
Leases (convergence with U.S. GAAP)	<p>This is a joint project with the FASB, the objective of which is to reconsider the accounting requirements for leasing arrangements. The resulting standard is expected to replace IAS 17 <i>Leases</i>.</p> <p>At its July 2008 meeting the Board decided that the existing finance lease model in IAS 17 would be the basis for accounting for all leases by a lessee.</p> <p>Although it was not planned initially for the leases project to address accounting by the lessor, the Boards decided at the January 2009 meeting to include a high-level discussion of lessor accounting issues in the DP. However, the DP is not expected to include preliminary views in respect of lessor accounting issues.</p>	<p>Active project – new standards and major projects</p> <p>A DP is expected in the first quarter of 2009.</p> <p>An ED is expected in the first half of 2010.</p> <p>A final standard is expected in 2011.</p>
Liabilities: amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IAS 19 Employee Benefits (partial convergence with U.S. GAAP)	<p>In 2005 the Board published an ED of <i>Proposed Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IAS 19 Employee Benefits</i>. The proposals arise in part from a joint project with the FASB to converge requirements for the recognition of restructuring provisions and from phase II of the business combinations project. Phase II of the business combinations project was completed on 10 January 2008 with the issuance of IFRS 3 <i>Business Combinations</i> (2008).</p> <p>A summary of this ED can be found in <i>IFRS Briefing Sheet – Issue 31: Publication of Exposure Draft of Proposed Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IAS 19 Employee Benefits</i>.</p> <p>As part of its redeliberations of the proposals in the ED, the Board tentatively has decided that:</p> <ul style="list-style-type: none"> • the existence of a present obligation distinguishes a liability from a business risk • the term “stand ready obligation” will be used to describe situations when there is an uncertainty about the outflow of economic benefits required to settle a present obligation, but not when there is an uncertainty about its existence • existing definitions of legal and constructive obligations will be incorporated into the text of the standard (i.e., separate definitions will be eliminated) • the probability criterion (“more likely than not”) will not be carried forward; however, guidance on addressing uncertainty about the existence of a present obligation will be included in the final standard • the final standard will include guidance on situations in which the amount required to settle the obligation is different from the amount required to transfer the obligation 	<p>Active project – new standards and major projects</p> <p>An ED was published in June 2005.</p> <p>The comment period closed on 28 October 2005.</p> <p>Round-table discussions were held in the fourth quarter of 2006.</p> <p>A final standard is expected in the second half of 2009.</p>

Project description	Overview	Timing / Status
	<ul style="list-style-type: none"> • decisions on measurement should be made independently of decisions about recognition and the expected outcomes are a measurement tool to be used after the decisions about recognition • the final standard would retain the current requirement to disclose information about possible obligations (e.g., legal proceedings that are in progress, pending or threatened), together with an estimation of the amounts involved. 	
Management commentary	<p>In 2005 the Board published a DP <i>Management Commentary</i>, which considers the role of the IASB in developing principles for management commentary that accompanies financial statements, and includes proposals for the main components of a standard.</p> <p>The Board will consider responses to the DP when deliberating presentation and disclosure issues as part of phase E of its conceptual framework project (see above <i>Conceptual framework</i>).</p> <p>A summary of the DP can be found in <i>IFRS Briefing Sheet – Issue 38: IASB Issues Discussion Paper on Management Commentary</i>.</p> <p>As part of the project the Board plans to provide non-mandatory guidance and suggested approaches to management commentary.</p>	<p>Active agenda project – new standards and major projects</p> <p>A DP was published in October 2005.</p> <p>The comment period closed on 28 April 2006.</p> <p>An ED is expected in the second quarter of 2009.</p> <p>Completed guidance is expected in the first half of 2010.</p>
Non-current assets held for sale and discontinued operations (IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>)	<p>The objective of this joint project is to address certain issues related to IFRS 5 that have arisen as a result of the joint project with the FASB on financial statement presentation.</p> <p>In September 2008 the IASB published an ED <i>Discontinued Operations – Proposed amendments to IFRS 5</i>.</p> <p>The proposals introduce a revised definition of discontinued operations, and include additional disclosure requirements in respect of <i>all</i> components of an entity that either have been disposed of or are classified as held for sale.</p> <p>A summary of this ED can be found in <i>IFRS Briefing Sheet – Issue 105: Exposure Draft Discontinued Operations – Proposed Amendments to IFRS 5</i>.</p>	<p>Active agenda project – amendments to existing standards</p> <p>An ED was published in September 2008.</p> <p>The comment period closed on 23 January 2009.</p> <p>A final standard is expected in the second quarter of 2009.</p>

Project description	Overview	Timing / Status
<p>Post-employment benefits, including pensions)</p>	<p>The objective of this project is to revisit fundamentally the accounting for employee benefits under IAS 19. The project is divided into two phases, a short-term phase and a long-term phase.</p> <p>In March 2008 the IASB published a DP <i>Preliminary Views on Amendments to IAS 19 Employee Benefits</i> related to the first phase of this project. This DP presents the preliminary views of the IASB on potential amendments to the accounting for post-employment benefit promises in accordance with IAS 19.</p> <p>The key changes proposed in the DP compared to the existing IAS 19 requirements include:</p> <ul style="list-style-type: none"> • requiring changes in the value of plan assets and post-employment benefit obligations to be recognised when they occur, which therefore would remove the optional “corridor” deferral method for recognition of actuarial gains and losses currently allowed • replacing post-employment benefit accounting currently required with two categories of promises with different accounting: defined benefit promises and contribution-based promises • presenting actuarial gains and losses in other comprehensive income under one of the proposed presentation alternatives • changing the unit of account from a plan to a promise, which could result in a single plan having multiple elements requiring different accounting. <p>A summary of this DP can be found in <i>IFRS Briefing Sheet – Issue 90: IASB Discussion Paper Preliminary Views on Amendments to IAS 19 Employee Benefits</i>.</p> <p>Although the Boards are working on this project independently, and the timing and scope of the IASB’s and the FASB’s projects might differ, the stated objective of both Boards is to develop a converged standard.</p> <p>At its January 2009 meeting the Board tentatively decided that the proposals in the DP would be addressed in two EDs, as follows:</p> <ul style="list-style-type: none"> • The first ED would address recognition, presentation and disclosure aspects of defined benefit plans and other issues that can be addressed quickly. • The second ED would address contribution-based promises, potentially as part of a comprehensive review of pension accounting (second phase of the project). <p>The Board made a number of tentative decisions on the content of the first ED and will continue its discussion at future Board meetings.</p>	<p>Active project – new standards and major projects</p> <p>A DP related to the first phase of this project was published in March 2008.</p> <p>The comment period closed on 26 September 2008.</p> <p>An ED is expected in the second half of 2009.</p> <p>An interim standard is expected in 2011.</p>

Project description	Overview	Timing / Status
<p>Rate-regulated activities</p>	<p>The objective of this project is to develop guidance as to whether rate regulation imposed by regulatory bodies or governments may give rise to an asset or a liability.</p> <p>In December 2008, the Board decided to add this project onto its agenda, mainly in response to a number of questions asked and concerns expressed by North-American companies that are subject to such rate regulations.</p> <p>It is anticipated that the first due process document will be an ED rather than a DP.</p>	<p>Active project – new standards and major projects</p> <p>An ED is expected in the second quarter of 2009.</p> <p>The expected timing of a final standard is yet to be determined by the IASB.</p>
<p>Related parties: amendments to IAS 24 <i>Related Party Disclosures</i></p>	<p>The objective of this project is to clarify the requirements for state-controlled entities and the definition of a related party.</p> <p>In 2007 the Board published an ED of <i>Proposed Amendments to IAS 24 Related Party Disclosures – State-controlled Entities and the Definition of a Related Party</i> (the 2007 ED).</p> <p>A summary of the 2007 ED can be found in <i>IFRS Briefing Sheet – Issue 63: Exposure Draft of Proposed Amendments to IAS 24 Related Party Disclosures</i>.</p> <p>In December 2008 the IASB published an ED <i>Relationship with the State – Proposed amendments to IAS 24</i> (the 2008 ED).</p> <p>The 2007 ED proposed a related party disclosure exemption for state-controlled entities, unless there were any indicators of influence either by the state or by entities controlled by the state. The 2008 ED proposes to provide an exemption to <i>all</i> state-controlled entities from disclosing related party transactions with the state or other state-controlled entities regardless of whether those transactions were influenced by the related party relationship. However, IAS 24 disclosure requirements would still apply to related party transactions of state-controlled entities arising from any other related party relationship, e.g., key management personnel.</p> <p>A summary of the 2008 ED can be found in <i>IFRS Briefing Sheet Issue – 117: Exposure Draft Relationship with the State – Proposed amendments to IAS 24</i>.</p>	<p>Active agenda project – amendments to existing standards</p> <p>An ED was published in February 2007.</p> <p>The comment period closed on 25 May 2007.</p> <p>A re-exposure draft was published in December 2008.</p> <p>The comment period closes on 13 March 2009.</p> <p>A final standard is expected in the second half of 2009.</p>

Project description	Overview	Timing / Status
<p>Revenue recognition (convergence with U.S. GAAP)</p>	<p>This is a joint project with the FASB, the objective of which is to develop a single comprehensive set of principles for revenue recognition. The resulting standard would replace IAS 11 <i>Construction Contracts</i> and IAS 18 <i>Revenue</i>.</p> <p>In December 2008 the Boards published a DP <i>Preliminary Views on Revenue Recognition in Contracts with Customers</i>. The proposed new guidance would require a single revenue recognition model to be applied to all contracts under which revenue is earned, based on allocating revenue to the different performance obligations in the contract.</p> <p>Under the proposed model the contract with a customer would be broken down into separate performance obligations to the extent that they are performed at different times. At inception the contract price would be allocated to the separate performance obligations on the basis of their relative selling prices, observed or estimated, on a stand-alone basis. The contract price would be recognised as revenue as each performance obligation is satisfied.</p> <p>A summary of this DP can be found in <i>IFRS Briefing Sheet Issue – 120: Discussion Paper Preliminary Views on Revenue Recognition in Contracts with Customers</i>.</p>	<p>Active project – new standards and major projects</p> <p>A DP was published in December 2008.</p> <p>The comment period closes on 19 June 2009.</p> <p>An ED is expected in the first half of 2010.</p> <p>A final standard is expected in 2011.</p>
<p>Share-based payment: group cash-settled share-based payment transactions (IFRS 2 <i>Share-based Payment</i> and IFRIC 11 <i>IFRS 2 – Group and Treasury Share Transactions</i>)</p>	<p>The objective of this project is to provide guidance on how group cash-settled share-based payment arrangements granted by a parent (or another entity in the group) should be accounted for in the financial statements of a subsidiary.</p> <p>In December 2007 the Board published an ED of <i>Proposed Amendments to IFRS 2 Share-based Payment and IFRIC 11 IFRS 2 – Group and Treasury Share Transactions – Group Cash-settled Share-based Payment Transactions</i>.</p> <p>The ED proposes requiring attribution of cash-settled share-based payments granted by a parent (or another entity in the group) to suppliers of goods and services (including employees) of a subsidiary to the subsidiary. Currently neither IFRS 2 nor IFRIC 11 address whether group cash-settled share-based payments should be attributed to the entity that receives the goods and services.</p> <p>A summary of the ED can be found in <i>IFRS Briefing Sheet – Issue 80: Exposure Draft of Proposed Amendments to IFRS 2 Share-based Payment and IFRIC 11 IFRS 2 – Group and Treasury Share Transactions – Group Cash-settled Share-based Payment Transactions</i>.</p>	<p>Active agenda project – amendments to existing standards</p> <p>An ED was published in December 2007.</p> <p>The comment period closed on 17 March 2008.</p> <p>A final standard is expected in the second quarter of 2009.</p>

Project description	Overview	Timing / Status
	<p>At its October 2008 meeting the Board tentatively confirmed the proposal in the ED to include all forms of group share-based payments in the scope of IFRS 2 <i>Share-based Payment</i>. To achieve this objective the Board tentatively decided to amend some of the defined terms in IFRS 2 rather than amend IFRIC 11 IFRS 2 – <i>Group and Treasury Share Transactions</i>.</p> <p>At its December 2008 meeting the Board tentatively agreed with IFRIC’s recommended changes from the measurement proposals in the ED. According to that recommendation, a subsidiary accounts for a share-based payment settled in cash by a parent or another group entity as equity-settled, since the subsidiary itself has no obligation to settle the payment.</p> <p>The Board will consider at a future meeting whether re-exposure of the amendment is necessary.</p>	

Appendix I Active agenda: new standards and major projects – Forthcoming documents expected to be published by 31 December 2010

First quarter 2009	Second quarter 2009	Second half 2009	First half 2010	Second half 2010
Income taxes – exposure draft	Management commentary – exposure draft	Consolidation, including SPEs – final standard	Management commentary – completed guidance	
Financial instruments: derecognition – exposure draft	IFRS for NPAs – final standard	Emission trading schemes – exposure draft	Emission trading schemes – final standard	
Leases – discussion paper	Rate-regulated activities – exposure draft	Financial instruments: derecognition – final standard (second half 2009, or 2010)	Fair value measurement guidance – final standard	
Fair value measurement guidance – exposure draft		Financial instruments with the characteristics of equity – exposure draft	Financial statement presentation – exposure draft	
		Insurance contracts phase II – exposure draft	Income taxes – final standard	
		Liabilities: amendments to IAS 37 and IAS 19 – final standard	Leases – exposure draft	
		Post-employment benefits (including pensions) – exposure draft	Revenue recognition – exposure draft	

Note: Forthcoming documents for which the timing is yet to be determined are not included in the above table.

Appendix II Active agenda: amendments to existing standards – Forthcoming documents expected to be published by 31 December 2010

First quarter 2009	Second quarter 2009	Second half 2009	First half 2010	Second half 2010
Financial instruments: enhanced disclosures – final standard	Share-based payment: group cash-settled share-based payment transactions – final standard Annual improvements (2009) – final amendments Joint ventures – final standard Non-current assets held for sale and discontinued operations (IFRS 5) – final standard	Earnings per share – final standard Annual improvements (2010) – exposure draft First-time adoption of IFRSs (IFRS 1): additional exemptions – final standard Related party disclosures – final standard	Annual improvements (2010) – final amendments	

Note: Forthcoming documents for which the timing is yet to be determined are not included in the above table.

Appendix III Conceptual framework – Forthcoming documents expected to be published by 31 December 2010

First quarter 2009	Second quarter 2009	Second half 2009	First half 2010	Second half 2010
	Phase A: Objectives and qualitative characteristics – final chapter	Phase C: Measurement – discussion paper Phase D: Reporting entity – exposure draft	Phase B: Elements and recognition – discussion paper	Phase C: Measurement – exposure draft

Note: Forthcoming documents for which the timing is yet to be determined are not included in the above table.

Appendix IV Research agenda – Forthcoming documents expected to be published by 31 December 2010

First quarter 2009	Second quarter 2009	Second half 2009	First half 2010	Second half 2010
Extractive activities – discussion paper				

Note: Forthcoming documents for which the timing is yet to be determined are not included in the above table.

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