

IFRS INTELLIGENCE

NOVEMBER 2016

CURRENT
PUBLICATIONS

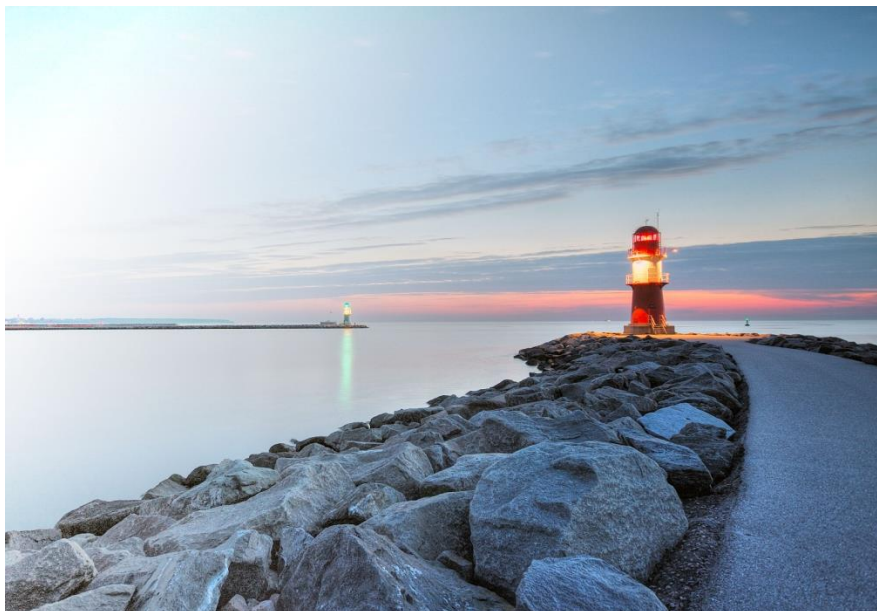
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Welcome

IFRS Intelligence is a regular newsletter that provides an update on new BDO International IFRS publications and reference material. In addition, it includes a complete list of publications and reference material that is available for your use.

If you have any comments or suggestions about IFRS Intelligence, or about any IFRS publications and other material that we are producing or might produce in future, please speak to your normal BDO contact or member firm, or send an email to Andrew Buchanan, Global Head of IFRS, at abuchanan@bdoifra.com.

ABOUT BDO

Established over 50 years ago, BDO has grown to become the world's fifth largest accounting, tax and advisory network with combined fee income in 2015 of over \$7 billion. We have member firms in 154 countries, operating from over 1,400 offices with almost 65,000 partners and staff.

IFRS INTELLIGENCE

IFRS Intelligence is issued by BDO IFR Advisory, which provides technical IFRS services to the BDO network.

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Please see page 11 of this publication for contacts at BDO member firms worldwide, or visit our international website www.bdo.global.

CURRENT PUBLICATIONS AND OTHER MATERIAL

The following publications are available from the IFRS section of our international website, www.bdo.global

IFRS News

This web page is updated daily for new developments in IFRS. A weekly summary is emailed to the IFRS Working Party and IFRS Country Leaders, together with other partners and staff at BDO member firms who have requested to be added to the distribution list. If you would like to be added to the distribution list, please send an email to David Cabaleiro at email address dcabaleiro@bdoifra.com.

IFRS at a Glance

This publication summarises the requirements of all IFRSs and Interpretations, with most being on a single page. It is available as a complete document, and by individual standard and interpretation. We also issued a comprehensive version of *IFRS for SMEs at a Glance*.

Need to Know

Need to Know provides updates on major IASB projects and developments in accounting requirements, highlighting the practical implications of forthcoming changes to accounting standards.

IFRS in Practice

IFRS in Practice sets out practical information about the application of key aspects of IFRS, including industry specific guidance.

International Financial Reporting Bulletins

IFRBs provide a summary of new IFRS discussion papers, exposure drafts, standards and IFRIC interpretations. They are issued shortly after the related document is issued by the IASB. Some IFRBs also cover documents issued by other organisations, such as extracts from the European Securities and Markets Authority enforcement database. In addition to being published on Connect and the external website in pdf format, a word version of each IFRB is emailed to the IFRS Working Party and IFRS Country Leaders. This is in order that, if a member firm would prefer, it can issue the IFRB as its own document instead of it being under the BDO adopted IFRS some time ago.

Illustrative Financial Statements

IFRS illustrative financial statements, which are for a listed entity with a 31 December year end, are issued annually. We will also issue illustrative interim financial statements for 30 June.

IFRS Industry Issues

IFRS Industry Issues sets out an overview of areas that BDO's initial analysis indicates may be of particular significance for various industry sectors.

WORK PLAN - PROJECTED TARGET

The work plan below sets out current estimates of when publications and other reference material will be issued. The intention is to enable member firms that might otherwise draft documents themselves to plan ahead for the issue of the global documents, which they will be able to use and avoid the time and cost involved in developing material themselves. For a brief description of each type of publication, please see page 2.

Publication	H2 2016	Q1 2017	Q2 2017	H2 2017
IFRS in Practice				
IFRS 9 Financial Instruments - 2017 and 2018 editions	X			X
IFRS 10 Consolidated Financial Statements - 2017 and 2018 editions		X		X
IFRS 11 Joint Arrangements - 2017 and 2018 editions		X		X
IFRS 15 Revenue from Contracts with Customers - 2017 and 2018 editions	X			X
IFRS 15 Revenue from Contracts with Customers (Sectors)		X		
IFRS 16 Leases - 2017 and 2018 editions		X		X
IFRS 16 Leases (Sectors)				X
IAS 32 Liability/Equity and Convertible Debt		X		
Disclosure Initiative		X		
Distinction - business vs. asset acquisition			X	
Financing arrangements in the natural resources sector			X	
Common errors - IFRS 3 Business Combinations		X		
Common errors - IAS 1 Presentation of Financial Statements		X		
Common errors - IAS 23 Borrowing Costs		X		
Common errors - Capitalising Expenditure		X		
Common errors - IAS 10 Events after the Reporting Period			X	
Common errors - IAS 21 Foreign Exchange			X	
Common errors - IFRS 2 Share-based Payment				X
Common errors - IAS 38 Intangible Assets				X
Common errors - IAS 32 Debt/equity classification				X
Need to Know				
IFRSs and Amendments effective for future periods (6 monthly)	X		X	
IFRS at a Glance (6 monthly update)	X		X	X

Publication	H2 2016	Q1 2017	Q2 2017	H2 2017
IFRS for SMEs at a Glance (yearly update)	X			X
Online Presentations				
IAS 7 Common errors		X		
IFRS 15 Revenue		X		
IFRS 9 Financial Instruments		X		
IFRS 16 Leases		X		
Other standards			X	X
IFRS 15 Revenue - Industry specific		X		
Illustrative Financial Statements (31 December)	X			X
Illustrative Interim Financial Statements (30 June)			X	
IFRB (ongoing)	X	X	X	X

PUBLICATIONS ISSUED IN THE LAST 12 MONTHS

Need to Know

IFRSs and Amendments effective in periods after 31 December 2015 year ends

This publication covers a summary of changes made to IFRSs that will need to be adopted in future reporting periods, together with a discussion about major projects the IASB currently has in progress.

IFRS 16 Leases

This publication sets out the final requirements in relation to the classification and measurement of leases from the perspective of lessees and lessors and compares those requirements to the previous standards, primarily IAS 17.

IFRS in Practice

IFRS 9 Financial Instruments (October 2015)

This publication sets out practical information and examples about the application of key aspects of IFRS 9.

IFRS 11 Joint Arrangements (February 2016)

This publication sets out practical information and examples about the application of key aspects of IFRS 11.

IFRS 15 Revenue from Contracts with Customers - Transition (July 2016)

This publication summarises the transitional requirements of IFRS 15 and provides practical examples to illustrate the effect of the transitional provisions.

IFRS 15 Revenue from Contracts with Customers (July 2016)

This publication provides practical information and examples about the application of key aspects of IFRS 15.

International Financial Reporting Bulletins

Recently issued IFRBs, together with a brief note of their content, are as follows:

IFRB 2015/14: IFRS Interpretations Committee - Agenda Rejections (September 2015)

This Bulletin summarises issues that the IFRS Interpretations Committee decided not to take onto its agenda at its September 2015 meeting, which were reported in its public newsletter.

Tentative agenda decisions at the September 2015 meeting

- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - To what extent can an impairment loss be allocated to non-current assets within a disposal group?*
- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - How to present intragroup transactions between continuing and discontinued operations*
- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Various IFRS 5-related issues*
- *IFRS 9 Financial Instruments - Transition for hedge accounting*
- *IFRS 11 Joint Arrangements - Remeasurement of previously held interests: Various transactions*
- *IAS 32 Financial Instruments: Presentation - Classification of the liability for a prepaid card in the issuer's financial statements*
- *IAS 39 Financial Instruments: Recognition and Measurement - Separation of an embedded interest rate floor from a floating rate host contract in a negative interest rate environment*

IFRB 2015/15: ED 2015/08 Application of Materiality to Financial Statements

This bulletin summarises the Exposure Draft ED/2015/08 *Application of Materiality to Financial Statements* (the ED) issued by the IASB on 28 October 2015. The aim of this ED is to provide guidance to assist management in applying the concept of materiality to general purpose financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

IFRB 2015/16: ED 2015/10 Annual Improvements to IFRSs 2014-2016 Cycle

This bulletin summarises Exposure Draft 2015/10 *Annual Improvements to IFRSs 2014 - 2016 Cycle* (the ED) published by the IASB on 19 November 2015.

The ED proposes amendments to three standards:

- IFRS 1 *First-time adoption of International Financial Reporting Standards*;
- IFRS 12 *Disclosure of Interests in Other Entities*
- IAS 28 *Investments in Associates and Joint Venture*

IFRB 2015/17: ED 2015/11 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

This bulletin summarises Exposure Draft 2015/11 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* (the ED) issued by the IASB on 9 December 2015.

This ED contains proposed amendments to IFRS 4 *Insurance Contracts* and is designed to address the concerns about the effects of different effective dates of IFRS 9 *Financial Instruments* and the forthcoming new insurance contracts Standard.

IFRB 2015/18: IFRSs, IFRICs and Amendments that are mandatory for the first time for 31 December 2015 Year Ends

This bulletin covers a summary of changes made to IFRSs that will need to be adopted in future reporting periods, together with a discussion about major projects the IASB currently has in progress.

IFRB 2016/01: IFRS 16 Leases

This bulletin covers IFRS 16 *Leases*, issued by the IASB on 13 January 2016, which supersedes IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases-Incentives* and SIC 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16, which is effective for accounting periods beginning on or after 1 January 2016, eliminates the classification by a lessee of leases as either operating

or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17.

IFRB 2016/02: IFRSs, IFRICs and Amendments available for early adoption for 31 December 2015 year ends

This IFRB covers IFRSs, IFRICs and amendments to IFRSs that are available for early adoption for 31 December 2015 year ends. In order to comply with paragraph 30 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* entities need to make disclosures about new IFRSs that have been issued but are not yet effective when they have decided not to apply the new IFRSs at their reporting date.

IFRB 2016/03: IFRS Interpretations Committee - Agenda Rejections (Nov 15)

This Bulletin summarises issues that the IFRS Interpretations Committee decided not to take onto its agenda at its November 2015 meeting, which were reported in its public newsletter.

Agenda decisions that were finalised at the November 2015 meeting

- IAS 2 *Inventories - Prepayments in long-term supply contracts*

Tentative agenda decisions at the November 2015 meeting

- IFRS 9/IAS 39 *Financial Instruments/Financial Instruments: Recognition and Measurement - Derecognition of modified financial assets*
- IFRS 9 *Financial Instruments - Determining hedge effectiveness for net investment hedges*
- IAS 16/IAS 38 - *Property, Plant and Equipment / Intangible assets - Variable payments for asset purchases*
- IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance - Accounting for recoverable cash payments*
- IAS 32 *Financial Instruments: Presentation - Offsetting and cash pooling*
- IAS 36 *Impairment of Assets - Recoverable amount and carrying amount of a cash-generating unit*

IFRB 2016/04: IFRS Interpretations Committee - Agenda Rejections (Jan 16)

This Bulletin summarises issues that the IFRS Interpretations Committee decided not to take onto its agenda at its January 2016 meeting, which were reported in its public newsletter.

Agenda decisions that were finalised at the January 2016 meeting

- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - To what extent can an impairment loss be allocated to non-current assets within a disposal group?*
- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - How to present intragroup transactions between continuing and discontinued operations*
- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Other various IFRS-related issues*
- *IFRS 9 Financial Instruments - Transition issues relating to hedging*
- *IFRS 11 Joint Arrangements - Remeasurement of previously held interests*
- *IAS 12 Income Taxes - Recognition of deferred taxes for the effect of exchange rate changes*
- *IAS 39 Financial Instruments: Recognition and Measurement - Separation of an embedded floor from a floating rate host contract in a negative interest rate environment*

Tentative agenda decisions at the January 2016 meeting

- *IFRIC 12 Service Concession Arrangements - Payments made by an operator to a grantor in a service concession arrangement*

IFRB 2016/05: IFRS Interpretations Committee - Agenda Rejections (Mar 16)

This Bulletin summarises issues that the IFRS Interpretations Committee decided not to take onto its agenda at its March 2016 meeting, which were reported in its public newsletter.

Agenda decisions that were finalised at the March 2016 meeting

- *IFRS 9 Financial Instruments - Determining hedge effectiveness for net investment hedges*
- *IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Variable payments for asset purchases*
- *IAS 32 Financial Instruments: Presentation - Classification of liability for a prepaid card in the issuer's financial statements*
- *IAS 32 Financial Instruments: Presentation - Offsetting and cash - pooling arrangements*

Tentative agenda decisions at the March 2016 meeting

- *IFRS 11 Joint Arrangements and IFRS 10 Consolidated Financial Statements - Accounting for loss of control transactions*

Item recommended to the Board to address through an amendment at the March 2016 meeting

- *IAS 12 Income Taxes - Accounting for income tax consequences of payments on financial instruments classified as equity*

IFRB 2016/06: Clarifications to IFRS 15 Revenue from Contracts with Customers

This Bulletin summarises the amendments to IFRS 15 *Revenue from Contracts with Customers* issued by the IASB in April 2016, which clarify some requirements and provide additional transitional relief for companies that are implementing the new Standard.

The amendments to IFRS 15 *Revenue from Contracts with Customers* clarify the existing guidance for:

- Identification of performance obligations
- Principal vs. agent considerations
- Licensing agreements
- Transitional reliefs

IFRB 2016/07: Exposure Draft 2016/01 Definition of a Business and Accounting for Previously Held Interests

This Bulletin summarises the Exposure Draft ED/2016/01 *Definition of a Business and Accounting for Previously Held Interests* (the ED).

In this ED the IASB proposes to amend IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements*. It is proposed to clarify:

- a) the definition of a business; and
- b) the accounting for previously held interests when an entity obtains control of a business

that was previously a joint operation, and when it obtains joint control of a business that is a joint operation.

IFRB 2016/08: ESMA's 19th Extract from the EECS's Database of Enforcement

This BDO IFR Bulletin sets a summary of the conclusions reached by European enforcers on the following transactions and related IFRSs:

1. Inflation-related index derivative embedded in a host lease contract (IAS 39)
2. Classification of a separate vehicle as a joint operation based on 'other facts and circumstances' (IFRS 11)
3. Selection of the appropriate exchange rate when multiple exchange rates are available (IAS 21)
4. Presentation of gains arising from the sale of an intangible asset (IAS 38)
5. Identification of unobservable inputs (IFRS 13)
6. Reverse acquisition of a listed shell company (IFRS 3, IAS 8, IFRS 2)
7. Disclosure of the amounts of significant categories of revenue (IAS 18, IFRS 8)
8. Determination of whether a dealer network acquired in a business combination is an intangible asset with indefinite useful life (IAS 38)
9. Exchange of a business for an interest in a subsidiary and subsequent distribution of the acquired subsidiary to owners (IFRS 3, IFRIC 17)
10. The determination of the maximum economic benefits available from a pension plan and the measurement of the defined benefit asset (IAS 19, IFRIC 14)
11. Measurement of a deferred tax liability relating to biological assets when income tax rates are changing over the assets' useful lives (IAS 12, IAS 41)
12. Accounting for contributions to a deposit guarantee fund in the interim financial report (IFRIC 21).

IFRB 2016/09: IFRS Interpretations Committee - Agenda Rejections (May 16)

This Bulletin summarises issues that the IFRS Interpretations Committee decided not to take onto its agenda at its May 2016 meeting, which were reported in its public newsletter.

Agenda decisions that were finalised at the May 2016 meeting

- *IFRS 9/IAS 39- Financial Instruments/Financial Instruments: Recognition and Measurement - Derecognition of modified financial assets*
- *IAS 20 Accounting for Government Grants and Disclosure of Government Assistance - Accounting for repayable cash receipts*
- *IAS 36 Impairment of Assets - Recoverable amount and carrying amount of a cash-generating unit*

Tentative agenda decisions at the May 2016 meeting

- *IFRS 9/IAS 39-Financial Instruments/Financial Instruments: Recognition and Measurement - Fees and costs included in the '10 per cent' test for the purpose of derecognition*
- *IAS 32 Financial Instruments: Presentation - Accounting for a written put option over non-controlling interests to be settled by a variable number of the parent's shares*
- *IFRIC 12 Service Concession Arrangements - Accounting for service concession arrangements for which the infrastructure is leased*

IFRB 2016/10: IFRS Interpretations Committee - Agenda Rejections (July 16)

This Bulletin summarises issues that the IFRS Interpretations Committee decided not to take onto its agenda at its July 2016 meeting, which were reported in its public newsletter.

Agenda decisions that were finalised at the July 2016 meeting

- *IFRS 11/IFRS10 - Accounting for loss of control transactions*
- *IFRIC 12 Payments made by an operator to a grantor in a service concession arrangement*

Tentative agenda decisions at the July 2016 meeting

- *IAS 12 Expected manner of recovery of indefinite life intangible assets when measuring deferred tax*

IFRB 2016/11: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

This Bulletin summarises the amendments to IFRS 4 issued by the IASB in September 2016.

The amendments to IFRS 4 introduce:

- (a) an optional overlay approach that permits insurers to reclassify between profit or loss and other comprehensive income (OCI) an amount equal to the difference between the amount reported in profit or loss for designated financial assets applying IFRS 9 and the amount that would have been reported in profit or loss for those assets if the insurer had applied IAS 39; and
- (b) an optional temporary exemption from IFRS 9 for insurers whose activities are predominantly connected with insurance.

IFRB 2016/12: IFRS Interpretations Committee - Agenda Rejections (September 16)

This Bulletin summarises issues that the IFRS Interpretations Committee decided not to take onto its agenda at its September 2016 meeting, which were reported in its public newsletter.

Agenda decisions that were finalised at the September 2016 meeting

- *IFRIC 12 Service concession arrangements with leased infrastructure*

Tentative agenda decisions at the September 2016 meeting

- *IAS 12 Recognition of deferred taxes when acquiring a single-asset entity that is not a business*

BDO International Comment Letters

Comment letters have been submitted in response to the following consultation documents:

IASB Exposure Drafts and Discussion Papers

- *ED/2015/05 Proposed Amendments to IAS 19 and IFRIC 14 (October 2015)*
- *ED/2015/06 Clarifications to IFRS 15 (October 2015)*
- *ED/2015/03 Conceptual Framework for Financial Reporting*
- *Request for Views: Trustees' Review of Structure and Effectiveness: Issues for the Review*

- *Request for Views: 2015 Agenda Consultation*
- *ED/2015/08 Application of Materiality to Financial Statements*
- *ED/2015/11 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*

Other documents

- *The implementation of IFRS 9 impairment requirements by banks (GPPC)*

IFRS at a Glance

The *IFRS at a Glance* section on the BDO International Website has been updated:

- *IFRS at a Glance (1 January 2016 update)*
- *IFRS for SMEs at a Glance (1 January 2016 Update).*

Training

Online Training

The new IFRS 15 *Revenue from Contracts with Customers* training material consists of 7 separate online modules:

- IFRS 15 - Overview;
- Step 1 - Identify the contract;
- Step 2 - Identify separate performance obligations;
- Step 3 - Determine the transaction price;
- Step 4 - Allocate the transaction price to performance obligations;
- Step 5 - Recognise revenue when each performance obligation is satisfied; and
- IFRS 15 - Transition.

The online presentations are accessible on the BDO International YouTube channel.

IFRS WORKING PARTY

Current members of the IFRS Working Party are:

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