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Australian Government
Australian Accounting Standards Board

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International Update

Subject: International Update

1. International

International Accounting Standards Board ([IASB](#))

The reconstituted Standards Advisory Council (SAC) held its first meeting on 23 - 24 February 2009 in London. The agenda for the first meeting of the 42 representatives included an overview of the SAC's role and function within the structure of the IASC Foundation and a discussion about how the SAC can best fulfil its mandate ([Press Release](#)).

International Financial Reporting Interpretations Committee ([IFRIC](#))

The [webcast registration](#) for the 5 March 2009 IFRIC meeting is now available.

International Federation of Accountants – International Public Sector Accounting Standards Board ([IFAC – IPSASB](#))

The IFAC has extended Ian Ball's term as Chief Executive Officer until February 2013. Mr. Ball joined IFAC as its Chief Executive in March 2002, having previously served IFAC as Chair of its Public Sector Committee (now known as IPSASB) and as a member of its Nominating Committee ([Press Release](#)).

International Federation of Accountants – Other Committees ([IFAC – other committees](#))

1. Additional [background papers](#) for the 16-19 March 2009 International Auditing and Assurance Standards Board (IAASB) meeting are now available and include [agenda Item 7](#), the objective of which is to obtain the IAASB's views on:

- a possible structure for the issue of non-authoritative guidance documents in response to an emerging issue or otherwise in the public interest; and
- whether any provision for amendment of IAASB's authoritative pronouncements on a rapid response basis is appropriate, and if so, the nature of the process to be followed.

2. Additional background papers for the 2-4 March 2009 International Accounting Education

Standards Board (IAESB) meeting are now available and include:

- [agenda Item 6-2](#) IAESB Consultative Advisory Group Terms of Reference; and
- [agenda Item 6-3](#) IAESB Terms of Reference.

2. United States

Financial Accounting Standards Board (FASB)

1. [Summaries of Board decisions](#) for the 25 February 2009 Board meeting are now available.

Tentative decisions have been made on the following projects:

- [insurance contracts](#);
- [FAS 157 - measurement of liabilities](#);
- [amend Statement 162 on GAAP hierarchy, and approve FASB accounting standards codification](#); and
- [accounting for assets acquired and liabilities assumed in a business combination that arise from contingencies](#).

2. [Summaries of Board decisions](#) for the 26 February 2009 Board meeting are now available. Tentative decisions have been made on mergers and acquisitions by a not-for-profit organisation.

3. The most recent board meeting handout, [Not-for-Profit Organizations: Mergers and Acquisitions; Goodwill and Other Intangible Assets Acquired in an Acquisition](#), is now available.

4. The minutes for [Reconsideration of Interpretation 46\(R\)](#) are now available. Decisions were made for the following six issues:

- the reconsideration of an entity's status as a variable interest entity;
- deconsolidation guidance;
- significant variable interests;
- elimination of the quantitative analysis;
- transition guidance; and
- separate classification of elements.

5. The [Technical Plan and Project Updates](#) page has been updated. The updated projects are:

- [FAS 141\(R\) - Assets and Liabilities Arising from Contingencies in a Business Combination \(Details\)](#); and
- [Disclosure of Certain Loss Contingencies \(Details\)](#)

6. The [Financial Crisis Advisory Group \(FCAG\)](#) will hold its fourth meeting on 20 April 2009 in London, England.

7. The [meeting agenda](#) for the 5 March 2009 FCAG meeting is now available and includes discussions on the Fair Value project to evaluate if it is appropriate and useful to report gains (or losses) from fair value changes in a reporting entity's own indebtedness (known as the "own credit risk" issue in Australia).

8. The Investors Technical Advisory Committee Meeting [Minutes](#) for the 6 January 2009 ITAC meeting are now available.

9. The following meetings have been added to the FASB [Calendar](#):

- the 4 March 2009 FASB meeting,
- the 4 March 2009 FASB Education Session,
- the 5 March 2009 FCAG meeting, and
- the 6 March 2009 FASB roundtable meeting on Disclosure of Certain Loss Contingencies.

10. The [minutes](#) for the 15 December 2008 Financial Accounting Standards Advisory Council meeting are now available and include a report of activities for the FASB, the Securities and Exchange Commission and the Public Company Accounting Oversight Board.

11. The [minutes](#) for the 12 December 2008 Small Business Advisory Committee meeting are now available and include discussions about fair value, the credit crisis, potential action items, loss contingency disclosures and Exposure Drafts on Going Concern and Subsequent Events.

Governmental Accounting Standards Board ([GASB](#))

1. The [agenda](#) for the 12-13 March 2009 Governmental Accounting Standards Advisory Council meeting is now available.

2. Nine projects have been updated on the GASB Project Pages, including:

- Chapter 9 of the United States Bankruptcy Code ([Details](#));
- Codification of AICPA Accounting Standards in SASs ([Details](#));
- Conceptual Framework – Recognition and Measurement Attributes ([Details](#));
- Derivative Instruments Implementation Guide ([Details](#));
- Fund Balance Reporting ([Details](#));
- Post-employment Benefit Accounting and Financial Reporting ([Details](#));
- Public/Private Partnerships ([Details](#));
- Reporting Unit Presentations/ Statement 14 Re-examination ([Details](#)); and
- Service Efforts and Accomplishments Reporting ([Details](#)).

Public Company Accounting Oversight Board ([PCAOB](#))

The PCAOB has announced that Thomas Ray, PCAOB Chief Auditor and Director of Professional Standards, will leave the PCAOB on 6 March 2009 to return to the private sector. Mr. Ray, one of the PCAOB's first professional staff, joined the PCAOB as Deputy Chief Auditor in June 2003 and was appointed Chief Auditor in February 2006 ([Press Release](#)).

3. Canada

Accounting Standards Board ([AcSB](#))

A Board Notice has been posted to clarify the transitional provisions of Financial Instruments - Disclosure and Presentation Section 3861, which is applicable to non-publicly accountable enterprises ([Press Release](#)).

Public Sector Accounting Board ([PSAB](#))

The PSAB has issued an [Invitation to Comment](#) on the application of IFRSs by government organisations. Comments are requested by 17 April 2009.

4. Europe

European Commission (Company Law, Accounting, and Auditing) ([EC](#))

1. The EC has provided guidance on the treatment of asset relief measures by Member States. The Commission considers that a common European approach is presently needed to deal with

the treatment of impaired assets, to make sure that foreseeable losses are disclosed and properly handled and banks can use their capital to resume their normal function of lending to the economy instead of fearing they would need this capital to cushion against possible losses. In particular, the guidance provides methodologies concerning the valuation of the impaired assets, the necessary remuneration of the State for the asset relief and the procedural steps that will be followed as well as the criteria that will be used to evaluate the State aid given to the banks as a result ([Press Release](#)).

2. The EC has put forward a new proposal which would allow Member States to abolish financial reporting obligations for the European Union (EU)'s smallest companies. In a deteriorating economic climate, the new rules are designed to alleviate the regulatory burden on micro entities ([Press Release](#)).

3. The EU is consulting on the review of the fourth and seventh Company Law directives. This project is the third step in the simplification of accounting rules for Small and Medium Enterprises and other companies in the scope of the Fourth and Seventh Company Law Directives, which began with a fast-track proposal in 2008. Comments are requested by 30 April 2009 ([Details](#)).

4. The High-level Group on Financial Supervision in the EU has published its [report](#) that makes 18 detailed recommendations to strengthen supervision of the EU's financial institutions and markets. Throughout the report, accounting is cited as one of the causes of the current global financial crisis. The fourth recommendation of the report also urges that the IASB and other standard setters set limits on mark-to-market accounting.

5. Germany

Accounting Standards Committee of Germany ([ASCG](#))

1. The German Accounting Standards Board has published the [comment letter](#) to IASB Exposure Draft *Post-implementation Revisions to IFRIC Interpretations* (proposed amendments to IFRIC 9 and IFRIC 16).

2. The [report](#) of the 128th German Accounting Standards Board meeting is now available and includes updates on Exposure Draft *Relationships with the State* – Proposed amendments to IAS 24 *Related Party Disclosures*, Discussion Paper *Preliminary Views on Financial Statement Presentation* and Discussion Paper *Preliminary Views on Revenue Recognition in Contracts with Customers* ([work programme](#)).

3. The ASCG will hold its next meeting in Berlin on 26 March 2009.

4. The [agenda papers](#) (in German) for the 9 - 10 March 2009 ASCG meeting are now available and include topics on ED 10 *Consolidated Financial Statements*, IAS 24 *Related Party Disclosures* and IASC Foundation - Constitution Review.

7. New Zealand

Financial Reporting Standards Board ([FRSB](#))

1. The FRSB has approved [NZ IFRIC 18](#) *Transfers of Assets from Customers*, which is equivalent to IFRIC Interpretation 18.

2. The [FRSB alert](#) for the 12 February 2009 Board meeting is now available and includes discussions with representatives from the valuation profession regarding depreciated replacement

cost. These discussions include:

- the diversity of views and practice regarding the inclusion of borrowing costs and imputed costs of equity in DRC valuations;
- the lack of guidance in the valuation standard on inclusion of borrowing costs or imputed cost of capital in DRC valuations; and
- the increased liaison between the International Valuation Standards Committee (IVSC) and the IASB, for example, the IVSC has been involved with the IASB's Fair Value Measurement project.

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