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# ACCOUNTING NEWS

## ATTENTION DIRECTORS – ASX CORPORATE GOVERNANCE CHANGES – PART 2

"There are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we know we don't know. But there are also unknown unknowns. There are things we don't know we don't know."
DONALD RUMSFELD

**AS DONALD RUMSFELD FAMOUSLY POINTED OUT, THE MAJOR PROBLEM WITH GOVERNANCE IS THE UNKNOWN UNKNOWNS! ...HOW EXACTLY DO YOU MANAGE THESE UNKNOWN UNKNOWNS?**

Following on from our discussion in last month's Accounting News, the revised ASX Corporate Governance Principles have introduced the requirement to disclose an entity's exposure to material environmental and social sustainability risks. These are the risks that will inevitably see companies fail, i.e. not meet their strategic objectives. For many entities, these risks are the 'unknown unknowns'.

**Recommendation 7.4**
A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

### Impact of this new requirement

Recommendation 7.4 appears to have significantly raised the required disclosure requirements (arguably it has introduced integrated financial reporting by the back door), but more pressingly for directors and boards, it appears to significantly increase the risk of litigation should they improperly disclose their exposure to material risk, and how they are managing the risk.

### If not, why not, as it applies to disclosing material risks

The Corporate Governance Principles are generally designed to be prescriptive of best practice, utilising the 'if not, why not' principle. However, this requirement would not appear to sit well with the required disclosure on sustainability risk.

'We are not disclosing our material exposure to economic, environmental and social sustainability risks because:

- We have no such risks? (very risky to state this if you do have such risks)
- We have not put our mind to determining such risks (this may be an honest statement, but unlikely to do much for investor confidence and would fundamentally suggest that corporate governance is failing)
- We are not going to tell you (because if we do, they may worry you too much)'.

## IN THIS EDITION



In this edition we continue our series on examining the practical implications of significant changes made to the ASX Corporate Governance Principles impacting listed entities from 1 July 2014. We continue our discussion on the impacts of the new revenue standard, IFRS 15 *Revenue from Contracts with Customers*, focusing on the impact on retailers. We look at results of the AASB's research into the extent that the recognition and measurement requirements of Accounting Standards are being applied in special purpose financial statements and we also look at the latest IASB developments, including a recent amendment to permit equity accounting for investments in subsidiaries, associates and joint ventures in separate financial statements, and a status update on the leases project. Lastly we highlight latest guidance issued by the ACNC on 2014 Annual Information Statements.

### If not why not as it applies to managing risk

Even if an entity elects to disclose a list of material sustainability risks, they will still be faced with the challenge of disclosing how they manage these risks, recognising that proper identification of risks is only the starting point for risk management and corporate governance.

Again this new requirement does not appear to sit well with the 'if not, why not' requirement. For example:

- 'We are not disclosing how we manage or intend to manage our material exposure to economic, environmental and social sustainability risks because......'
- 'We have no idea how to manage them.'
- 'Managing them would be too expensive.'

Perhaps another risky option would be for the board to declare that it 'manages ALL sustainability risks' without giving specific details as to what the risks are, and how these are managed.

### Looking at economic risks

The following are a small selection of economic risks:

| RISK | POTENTIAL RISK MITIGATION PROCESS |
|---|---|
| Product becomes obsolete | Continued R&D spend activity |
| Over concentration with one particular product | Continued R&D spend and look for diversification |
| Risk of having an uncompetitive cost base | Looking for efficiencies, cost savings, going off-shore |
| Down turn in a specific sector of economy | Diversification, annuity work, ability to control cost overheads |
| Loss of key employees | Succession plans |
| Loss of key customers and contracts | Diversification |
| Loss of key suppliers | Diversification |

### Environmental risks

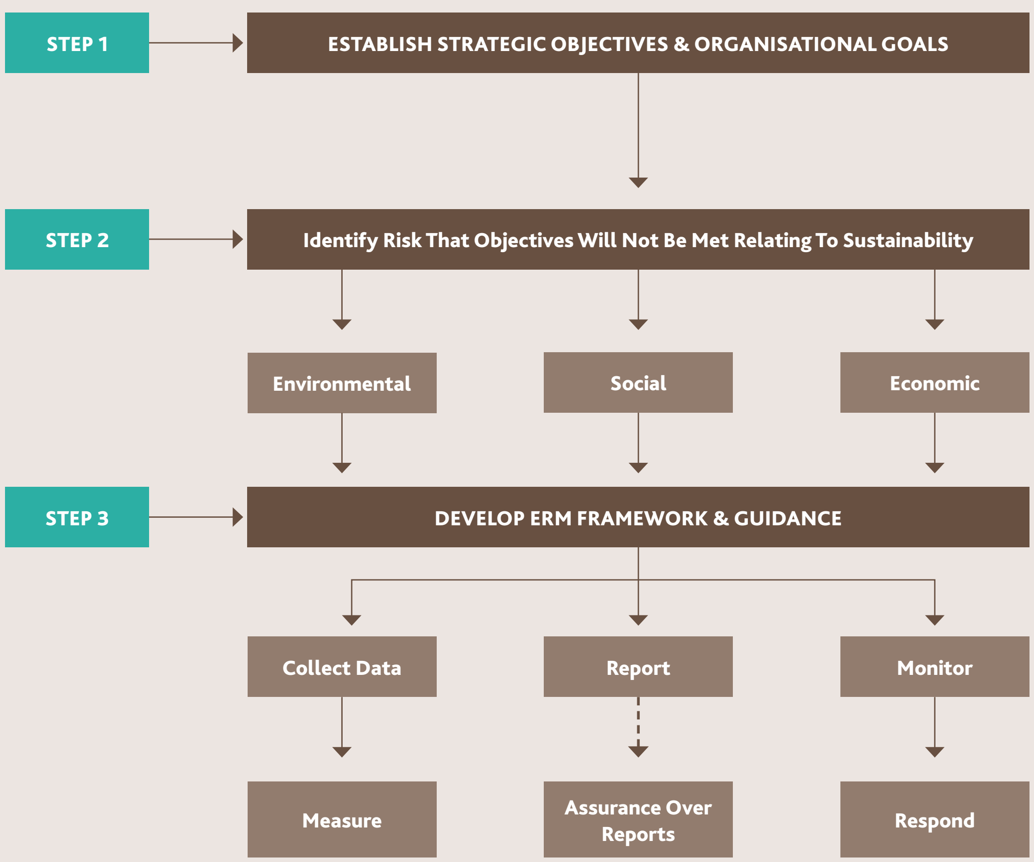
| RISK | POTENTIAL RISK MITIGATION PROCESS |
|---|---|
| Impact of floods, cyclones, etc. | Disaster recovery plans, insurance |
| Impact of contaminating land, water tables | Strong process of compliance with environmental law |
| Change in environmental legislation that will impact product | Continued R&D spend and look for diversification |
| Change in fiscal structure to reduce pollution (carbon tax, etc.) | Continued R&D spend and look for diversification |
| Land and buildings found to have contamination (e.g. find asbestos or dioxin) | Proper testing and monitoring |

### Social risks

| RISK | POTENTIAL RISK MITIGATION PROCESS |
|---|---|
| Product becomes socially unacceptable (e.g. tobacco products, fizzy drinks, fur coats) | Continued R&D spend and look for diversification |
| Sovereign risk in overseas jurisdictions | Continued working with overseas government, look for diversification |
| Alleged bribery and corruption | Anti-bribery and anti-money laundering programs |
| Breaking laws on employing child labour etc. | Full due diligence on suppliers |
| Breaking laws on OH&S | Robust compliance regime, full due diligence on suppliers |

The above lists are obviously not comprehensive, but in order to comply with the requirements of Recommendation 7.4, boards must put their minds to clearly identifying which risks could materially impact them and how they should be disclosed in 2015 Corporate Governance Statements.

### SUSTAINABILITY RISK ASSESSMENT/MONITORING/ REPORTING



# IFRS 15 – REVENUE RECOGNITION TO CHANGE FOR RETAILERS

### Potential delays in revenue recognition

This month we take a closer look at the impacts of IFRS 15 *Revenue from Contracts with Customers* on retailers. For retailers, IFRS 15 may result in a delay in revenue recognition. This could affect bank covenants, performance-based compensation (including bonuses and share-based payments), internal budgeting processes and market and investor communications. Obviously many retailers pay rent based on sales and these arrangements will have to be re-examined to properly determine what 'sales' means.

IFRS 15 contains more specific guidance on revenue recognition than the current IAS 18 *Revenue* standard.

The following areas are likely to be of significant impact for retailers under IFRS 15:

- Warranties – you will need to separately identify warranties that are 'assurance' type warranties and those that can be sold separately
- Free maintenance services – you will need to allocate a portion of revenue to 'free' services and only recognise revenue when the service is performed
- Customer incentives such as discount coupons will result in a portion of the revenue being deferred.

The effective date of this standard is annual reporting periods beginning on or after 1 January 2017.

### Example

Retailer Y&Z has a 30 June year end and on 20 June 2018 launched its 10 day end of financial year sale.

On 29 June 2018, a customer purchases a washing machine for $1,000. The washing machine comes with a 12 month warranty against manufacturing defects (which is not sold separately). Y&Z also provides customers with an extended two year warranty against manufacturing defects and free repair and maintenance service for three years. The extended warranty and the free repair and maintenance service can be purchased separately.

Y&Z will also supply 1kg of washing powder every month for the next 18 months. In addition, the customer will receive a discount voucher for a 30% discount off its next in store purchase in the next six months, up to the value of $100.

### How should Y&Z account for the sale under IFRS 15?

Y&Z has sold the following five goods or services to the customer under IFRS 15:

- A washing machine with a 12 month warranty
- Extended two year warranty
- Repair and maintenance services for three years
- 18kg of laundry powder
- Discount voucher.

Revenue ($1,000) needs to be allocated to each of the above goods or services based on the relative standalone selling prices of each good or service, and revenue is recognised as and when each good is delivered, or service is performed.

#### A washing machine with a 12 month warranty

The 12 month warranty is not accounted for separately because it provides the customer with the assurance that the washing machine will work as intended for one year, and it is not sold separately. Y&Z accounts for this 'assurance-type' warranty in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

#### Extended two year warranty

A portion of the sales price needs to be allocated to the extended warranty and recognised over the period of the warranty because this extended warranty is sold separately. Assume that the extended warranty is sold separately for $200.

#### Repair and maintenance service for three years

Revenue needs to be allocated to the repair and maintenance service and recognised as that service is performed. Assume that the repair and maintenance service is sold separately for $150.

#### 18kg of laundry powder

Revenue needs to be allocated to the laundry powder and recognised as the laundry powder is delivered each month over the next 18 months. Assume the laundry powder is sold separately for $5/kg.

#### Discount voucher

Y&Z needs to determine the standalone selling price of the discount voucher and defer the amount until the voucher is redeemed. Assume that Y&Z estimates the likelihood that the customer will use the voucher is 80% and the standalone selling price of the voucher is $80 ($100 x 80%).

#### Pattern of revenue recognition under IFRS 15

The following table sets out the amount of revenue allocated to each good or service in proportion to their standalone selling prices:

| GOOD OR SERVICE | STANDALONE SELLING PRICE | REVENUE ALLOCATED |
|---|---|---|
| Washing machine & 12 month warranty | $1,000 | $658 (($1,000x(1,000/1,520)) |
| Extended two year warranty | $200 | $132 (($1,000x(200/1,520)) |
| Repair and maintenance | $150 | $99 (($1,000x(150/1,520)) |
| Laundry powder | $90 ($5X18) | $59 (($1,000x(90/1,520))* |
| Discount voucher | $80 | $53 (($1,000x(80/1,520)) |
| Total | $1,520 | $1,000 |

*Financing element has been ignored for the purpose of this example.

The table below sets out the pattern of revenue recognition under IFRS 15:

| GOOD OR SERVICE | REVENUE RECOGNITION UNDER IFRS 15 | | | | |
|---|---|---|---|---|---|
| | 30/06/2018 year end | 30/06/2019 year end | 30/06/2020 year end | 30/06/2021 year end | Total |
| Washing machine & 12 month warranty | $658 | - | - | - | $658 |
| Extended 2 year warranty | - | - | $66 | $66 | $132 |
| Repair and maintenance | - | $33 | $33 | $33 | $99 |
| Laundry powder | - | $39 | $20 | - | $59 |
| Discount voucher | - | $53 | - | - | $53 |
| Total | $658 | $125 | $118 | $99 | $1,000 |

You can see from the above that the IFRS 15 revenue model can result in a significant decrease in revenue and profit in the current year, with a compensating increase in the years that follow.

In practice under IAS 18, most retailers would recognise revenue of $1,000 for the 30 June 2018 year end, and a provision for the 36 month warranty. The costs for repairs and maintenance, and laundry powder, would only likely be recognised as and when they are incurred. When the customer uses its discount voucher in the next six months, the discounted selling price is recognised as revenue.

### Impacts of significant changes

The impacts of IFRS 15 are not just delayed revenue as the above example has shown. Retailers will also need to think about the related deferred tax impacts, and also about system and process changes that would be required so that revenue is recognised in accordance with the new requirements.

In the above example, processes will have to change to determine all performance obligations promised to the customer, a suitable value must then be determined for each 'promise' made. Systems will then have to be modified to track and amortise the deferred revenue arising from this 'simple' sale.

### More information about IFRS 15

For more information on IFRS 15, BDO resources on IFRS 15 include:

- Summary of new revenue model in IFRS 15 – Accounting News, June 2014
- Overview of changes and implications of IFRS 15 - 15 minute video
- Industry impacts of new revenue standard – Accounting News, August 2014
- Need to Know.

# LEASE ACCOUNTING – IS IT CHANGING OR NOT?

## SHOULD OPERATING LEASES BE CAPITALISED ON THE BALANCE SHEET?

The debate about whether operating leases should be capitalised on the balance sheet has been going for years. Statistics published in the recent IASB Project Update indicate that long-term balance sheet liabilities are understated by as much as 46% in some areas because operating lease liabilities are not recognised. The statistics quoted in the Project Update are as follows for understatement of long-term liabilities:

| LONG-TERM LIABILITIES OF HEAVIEST USERS OF OFF-BALANCE SHEET LEASES | |
|---|---|
| Europe | 20% |
| North America | 23% |
| Asia Pacific | 46% |

### First round proposals

The original 2010 proposals, issued jointly by the US Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB), required that all leases, **including operating leases**, be capitalised on the balance sheet as a 'right of use' asset with the corresponding liability amortised using the effective interest method.

This would result in changes to current operating lease accounting under AASB 117 *Leases* as follows:

- More assets (right of use assets) on the balance sheet
- More liabilities on the balance sheet
- Front end loaded expenses for interest charge on 'operating' lease liabilities
- Certain contingent rental payments included in the measurement of the initial lease liability.

### We don't like this approach for operating leases – second round proposals

Taking into account more than 800 comments letters on the 2010 proposals, and a significant amount of lobbying by the property industry, a second round of proposals were issued by the boards in May 2013 in the form of ED 2013/6 *Leases* (ED 242 in Australia). The main proposals in the revised ED included:

- Type A (default category, similar to finance leases) and Type B leases (certain property leases)
- Operating leases for property still to be capitalised on the balance sheet (as Type B leases)
- Other operating leases to be capitalised as Type A leases
- Type A leases to be treated in a similar manner to finance leases, i.e. interest recognised using effective interest method
- Type B leases to be expensed using a modified straight-line methodology (where asset depreciation is the 'balancing number' to arrive at a straight line expense)
- Contingent rentals only included as part of the lease liability if they depend on an index or fixed rate increase (i.e. are determinable from the beginning).

### Where are we at?

The IASB recently issued a Project Update document on the status of the project.

Comments on the second round of proposals closed in September 2013 and deliberations have been ongoing. The most important tentative decisions reached by the IASB during its recent deliberations include:

- Leased assets and liabilities should be capitalised on the balance sheet (exceptions for small items such as laptops and furniture)
- Leases of 12 months or less will not need to be recognised on balance sheet
- There will be a single lease model with front-end loaded expenses for all leases (i.e. no Type A and B classifications). The FASB are not taking this approach and will be sticking with the dual lease classification approach, similar to the Type A - Type B proposal included in the second ED
- No changes to lessor accounting.

Scrapping the dual lease approach should reduce complexity and compliance costs, with entities with long-term property leases not having to adjust depreciation in fixed asset registers for 'right of use' property leases where depreciation is effectively the balancing number after interest is deducted from the straight-line expense.

### Still to come

During the second half of 2014, the FASB and IASB will finalise the disclosure requirements and transitional provisions. They will also aim to minimise differences between IFRS and US GAAP.

### Standard expected in 2015

At the time of writing, the IASB indicated that they expected to issue a revised leasing standard in 2015.

# NO MORE SPECIAL PURPOSE FINANCIAL STATEMENTS?

**THE RESULTS OF A RECENT RESEARCH REPORT INTO SPECIAL PURPOSE FINANCIAL STATEMENTS LODGED WITH REGULATORS RAISES QUESTIONS AS TO THE ADEQUACY OF SPECIAL PURPOSE FINANCIAL STATEMENTS AND THEIR FUTURE AS AN APPROPRIATE FINANCIAL REPORTING FRAMEWORK FOR ENTITIES LODGING FINANCIAL STATEMENTS ON THE PUBLIC RECORD.**

## Background

The debate about whether special purpose financial statements (SPFSs) should be scrapped for entities lodging financial statements with a regulator has been going on for nearly twenty years.

The Australian Accounting Standards Board (AASB) has been proposing that Australian Accounting Standards only apply to general purpose financial statements (GPFSs), either completely or by applying the Reduced Disclosure Requirements. This would mean that entities lodging financial statements with the Australian Securities and Investments Commission (ASIC) would need to do so by filing GPFSs because Part 2M.3 of the *Corporations Act 2001* refers to Australian Accounting Standards.

Push back from preparers and auditors on proposals to scrap SFPSs has been intense over the years. There were so many negative comment letters to ED 192 *Revised Differential Reporting Framework* (February 2010) that the AASB deferred their decision on scrapping SPFSs until more empirical research had been conducted (Phase 2). The AASB recently issued the results of this research, Application of the Reporting Entity Concept and Lodgement of Special Purpose Financial Statements (research report).

The statistics and facts quoted in this article are taken from the research report.

## The sample

The research report considered two samples, one for entities lodging financial statements with ASIC (1,546 entities) and another for entities lodging financial statements with other regulators (1,163 entities), including Consumer Affairs Victoria (400), NSW Fair Trading (377) and Queensland Office of Fair Trading (386).

## Part A - ASIC lodgements

Part A of the research report summarises the results for entities lodging financial statements with ASIC.

More than 75% of large proprietary companies, foreign controlled companies and small proprietary companies lodging financial statements with ASIC lodge SPFSs, whereas only approximately 30% -35% of unlisted public companies and companies limited by guarantee lodge SPFSs.

Table 1: ASIC results extracted from the research report (Part A)

| | SPECIAL PURPOSE (%) | GENERAL PURPOSE (%) |
|---|---|---|
| Large proprietary companies | 79.9 | 20.1 |
| Foreign controlled proprietary companies | 84.4 | 15.6 |
| Small proprietary companies | 75.8 | 24.2 |
| Unlisted public companies (not companies limited by guarantee) | 30.3 | 69.7 |
| Companies limited by guarantee | 34.5 | 65.5 |

Some of the major findings of the research report with respect to entities lodging SPFSs with ASIC include:

- On average, more than 50% of entities lodged SPFSs.
- Approximately 65% of entities applied all recognition and measurement requirements of Australian Accounting Standards.
- Approximately 20% of entities did not apply all recognition and measurement requirements.
- Approximately 15% of entities did not state whether they complied with all the recognition and measurement requirements.
- The amount of accruals recognised was lower than for entities lodging GPFSs, but higher in entities that applied all recognition and measurement requirements than those that did not.
- Almost 50% of entities lodged late (more than four months after reporting date) and this was similar to the percentage lodging GPFSs late.
- There was no significant correlation between the choice of auditor (Big 4 firm vs. non Big 4 firm) and application of the reporting entity concept.

## Part B – Other regulators

Part B of the research report summarises the results for entities lodging financial statements with the three regulators mentioned earlier in Victoria, NSW and Queensland.

The main types of entities reviewed across the three states included:

- Associations
- Co-operatives
- Other charities/fundraisers.

Some of the major findings of the research report with respect to financial statements lodged with other state-based regulators include:

- At least 60% of larger associations lodge SPFSs.
- The majority of smaller associations do not state whether the financial statements are GPFSs or SPFSs, probably due to varying requirements of what needs to be lodged.
- Two thirds of co-operatives in NSW lodge GPFSs whereas in Queensland one third lodge GPFSs, another third lodge SPFSs and the last third do not say what type of financial statements are lodged. In Victoria, no co-operatives in the sample lodged GPFS, half lodged SPFSs and half did not say what they lodged.
- With the proposed abolishment of the Australian Charities and Not-for-profits Commission, this situation of disparate requirements for not-for-profit entities is likely to continue.

## Watch this space

The results of the research report will be used by the AASB to decide the fate of SPFSs, with early indicators pointing toward the scope of Australian Accounting Standards being reduced to only cover general purpose financial reports. However, this is only likely to happen when the various regulators have clarified their requirements with respect to general purpose vs. special purpose financial statements, and particularly when Treasury have clarified the requirements of financial statements lodged under Part 2M.3 of the *Corporations Act 2001*. We will update you in future editions of Accounting News of progress on the status of SPFSs.

# IASB APPROVES EQUITY METHOD IN SEPARATE FINANCIAL STATEMENTS

In August 2014, the International Accounting Standards Board (IASB) issued an amendment to IAS 27 *Separate Financial Statements*, allowing entities preparing separate financial statements to account for their investments in subsidiaries, associates and joint ventures using the equity method, as described in IAS 28 *Investments in Associates and Joint Ventures*, instead of at cost, or at fair value, under IAS 39 *Financial Instruments: Recognition and Measurement*.

The amendments apply to annual periods beginning on or after 1 January 2016. Retrospective adjustment is required.

When these amendments are first adopted, you may choose to continue with your current policy (i.e. cost or fair value under IAS 39), or you may choose to adopt the new equity accounting option. If you adopt the equity accounting option, your investments and retained earnings and other reserves will increase on 1 January 2015 (for 31 December year ends) or 1 July 2015 (for 30 June year ends) so that investments are recorded at the equity accounted amount under IAS 28.

# ACNC CHARITIES – GUIDE TO 2014 ANNUAL INFORMATION STATEMENT

**THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION (ACNC) RECENTLY ISSUED THEIR 2014 ANNUAL INFORMATION STATEMENT GUIDE TO HELP CHARITIES REGISTERED WITH THE ACNC TO PREPARE THEIR 2014 ANNUAL INFORMATION STATEMENTS.**

These are due to be lodged with the ACNC as follows:

- By 31 December 2014 for 30 June 2014 year ends
- By 30 June 2015 for 31 December 2014 year ends
- For other year ends, within six months of the end of the reporting period.

### More financial information required

The 2014 Annual Information Statement requires more financial information than last year. The amount of information varies with the size of your charity, the least amount for small charities and most for large charities.

No financial information is required for **basic religious charities**.

The Guide includes information about specific line items of financial information you will need to submit with your 2014 Annual Information Statement.

# WAYNE BASFORD, PARTNER AND IFRS LEADER, ASIA PACIFIC, APPOINTED TO TRANSITION RESOURCE GROUP FOR IMPAIRMENT OF FINANCIAL INSTRUMENTS

**WE ARE PLEASED TO ANNOUNCE THAT WAYNE BASFORD, A BDO PARTNER AND BDO IFRS LEADER ASIA PACIFIC, HAS BEEN APPOINTED AS A MEMBER OF THE TRANSITION GROUP FOR IMPAIRMENT OF FINANCIAL INSTRUMENTS (ITG GROUP).**

This is the group that will look after implementation issues for the new impairment model introduced by IFRS 9 *Financial Instruments* (effective date 1 January 2018). The standard is key to determining how banks make provision for bad debts, and moves towards a far more complex forecasting loss model.

Wayne is the only auditor from the Asia Pacific region in the group, but also represented on the group are the Bank of China and Bank of Tokyo-Mitsubishi. The membership of the group is made up of six representatives from the major accounting networks and six representatives from major banks. Click here for the remaining members of the group.

Accounting News, August 2014 includes a discussion of the impacts of the new financial instruments impairment model introduced by IFRS 9.

# NEW BDO PUBLICATIONS

The Audit section of our website includes a range of publications on IFRS issues. Look for the 'Global IFRS Resources' link which includes resources such as:

- IFRS at a Glance – 'one page' and short summaries of all IFRS standards.
- IFRS News at a Glance – provides high-level headlines of newly released documents by the IASB and IFRS related announcements by securities regulators.
- Need to Knows – updates on major IASB projects and highlights practical implications of forthcoming changes to accounting standards. Recent Need to Knows include IFRS 15 *Revenue from Contracts with Customers* (Aug 2014), IFRS 9 *Financial Instruments* (May 2014), Hedge Accounting (IFRS 9 *Financial Instruments*) (Jan 2014), IFRS 11 *Joint Arrangements* (Dec 2013) and IFRS 13 *Fair Value Measurement* (Dec 2013).
- IFRS in Practice – practical information about the application of key aspects of IFRS, including industry specific guidance. Recent IFRS in Practice include IAS 7 *Statement of Cash Flows*, Distinguishing between a business combination and an asset purchase in the extractives industry (March 2014), IAS 36 *Impairment of Assets* (Dec 2013) and Common Errors in Financial Statements – Share-based Payment (Dec 2013).
- Comment letters on IFRS standard setting - includes BDO comments on various projects of international standard setters, including Exposure Drafts and other Discussion Papers, when it is considered that the issue is significant to the BDO network and its clients. Latest comment letters include IASB ED 2014-01 Disclosure Initiative, Request for information – Post-implementation Review: IFRS 3 Business Combinations, IASB ED 2013 11 *Annual Improvements to IFRSs (2012-2014 Cycle)* and IASB ED 2013-9 *IFRS for SMEs Review*.

# COMMENTS SOUGHT ON EXPOSURE DRAFTS

At BDO, we provide comments locally to the Australian Accounting Standards Board (AASB) and internationally to the International Accounting Standards Board (IASB). We welcome any client comments on exposure drafts that are currently available for comment. If you would like to provide any comments please contact Wayne Basford at wayne.basford@bdo.com.au.

| DOCUMENT | PROPOSALS | COMMENTS DUE TO AASB BY | COMMENTS DUE TO IASB BY |
|---|---|---|---|
| ITC 31 *Accounting for Dynamic Risk Management: a Portfolio Revaluation Approach to Macro Hedging* | Invites comments on the approach to macro hedge accounting put forward in the IASB's Discussion Paper (DP). The DP assesses whether an accounting approach that reflects how entities manage risk dynamically is necessary to help users of financial statements to understand risk management activities. Specifically the DP considers whether the portfolio revaluation approach (PRA) would provide useful information. In the PRA, for accounting purposes, the net open risk position(s) of dynamically managed portfolio(s) is identified and revalued for changes in the managed risk (for example, interest rate risk) with any gains/losses recognised in profit or loss. | 19 September 2014 | 17 October 2014 |
| ED 253 *Recognition of Deferred Tax Assets for Unrealised Losses* Proposed amendments to AASB 112 | Proposes to clarify the accounting for deferred tax assets related to debt instruments measured at fair value. | 20 November 2014 | 18 December 2014 |

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