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ACCOUNTING NEWS

TEN WAYS TO MATERIALLY MISSTATE YOUR FINANCIAL STATEMENTS…THE 'BLIND FREDDY' PROPOSITION CONTINUED – PART 9 – DERECOGNITION ERRORS

THE INTRODUCTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) IN 2005 SIGNIFICANTLY TIGHTENED THE RULES AROUND 'DERECOGNITION' OF FINANCIAL ASSETS AND THE FAILURE OF A NUMBER OF SECURITISATION VEHICLES DURING THE GLOBAL FINANCIAL CRISIS (GFC) HAS ALSO BROUGHT CLOSER SCRUTINY TO 'OFF-BALANCE SHEET' FINANCE.

At this point many of you may be contemplating skipping over this article, viewing this topic as complex and only applicable to very large financial institutions. However, you should be aware that the IFRSs rules on derecognition apply to simple arrangements such as debt factoring and mortgage securitisation arrangements undertaken by credit unions. As the credit market tightens, many entities are reconsidering whether debt factoring or securitisation arrangements are viable means of improving cash flows.

The results of failing to comply with the AASB 139 rules can easily lead to material misstatement from understating an entity's borrowing position.

The key step in determining whether the derecognition test has been satisfied is:

'Who bears the risk and reward of ownership'?

Debt factoring arrangements

Example 1:
Manufacturer Limited enters into a trade receivables factoring arrangement with Factoring Limited.

Factoring Limited advances Manufacturing Limited 94 per cent of the receivable when the invoice is raised, and pays five per cent to Manufacturing Limited when the receivable is settled by the end customer (one per cent represents the factoring fee).

Prima facie, Factoring Limited would appear to be bearing 95 per cent of the credit risk and Manufacturer Limited only five per cent. However the specific details of the arrangement are as follows:

- History of bad debts is only two per cent
- Expected worst case default rate is four per cent
- Trade receivables total is $100m
- No individual receivable is greater than $1m
- If any debtor defaulted, then the five per cent 'retention' would be used to settle the loss.

IN THIS EDITION

In this month's newsletter, we continue our 'Blind Freddy' series, looking at common mistakes made when derecognising financial assets. On the international front, we look at the International Accounting Standards Board (IASB)'s recent standard to clarify the transition date for IFRS 10, 11 and 12 , and the Interpretations Committee's draft interpretation on levies charged by public authorities on entities that operate in a specific market, as well as an update on the leasing project. On the local front, we look at recent changes to the *Corporations Act 2001* for proxy voting on remuneration reports as well as ASIC's results from its annual surveillance programme.

Proposed entries (derecognising the trade receivables)

Dr	Trade receivables	$100m	
Cr	Revenue		$100m

Originating entry for $100m revenue

Dr	Cash	$94m	
Dr	Other receivable	$5m	
Dr	Expense	$1m	
Cr	Trade receivables		$100m

Derecognition of $100m receivables

From a more detailed analysis it can be seen that Manufacturer Limited still retains the credit risk, therefore this arrangement fails the derecognition test and the correct accounting is as follows:

Dr	Trade receivables	$100m	
Cr	Revenue		$100m

Originating entry for $100m revenue

Dr	Cash	$94m	
Cr	Payable		$94m

Securitisation of specific trade receivable

Example 2:

A large construction company, Construction Limited, is awarded major contracts in Western Australia. These projects require a significant investment in working capital. To fund this working capital, the construction company establishes a special purpose vehicle (SPV) to issue bonds secured and serviced by the construction company's trade receivables. The trade receivables are of high quality, but in order to reduce the interest charge on the SPV bonds, Construction Limited takes out credit insurance prior to 'selling' its receivables to the SPV. Construction Limited believes that there is no risk associated with holding the trade receivables and the only benefit from holding them, being the collection of the debtor, is with the SPV.

This analysis is incorrect. The fact that Construction Limited took out credit insurance does not mean credit risk is irrelevant in this analysis. Credit risk is effectively borne by Construction Limited and the SPV should be consolidated.

The only way to solve the credit risk issue is that the loans are sold without credit insurance and the SPV takes out insurance in its own right.

Other issues that may prevent derecognition include failing the 'pass through test'. For derecognition to be achieved, it is essential that the 'vendor' bears no risk of ownership. In many cases the vendor may continue to collect and manage the debt portfolio, if it does so then this action must purely be as an agent, i.e.:

- Money is only passed to the SPV (or factoring company) if it has been collected
- If the receivable (or interest on the receivable) is paid late, money is also paid late to SPV
- If the insurance company does not honour credit insurance, money is also paid late to SPV
- If money is not collected to realise the security (e.g. sale of residential home), money is not paid to SPV
- If the receivable (or interest on the receivable) is paid late, vendor is not penalised (reduced servicing fees etc.).

In next month's Blind Freddy article we will look at common errors when recognising revenue.

PROXY VOTING AMENDMENTS TO CORPORATIONS ACT

THE *CORPORATIONS AMENDMENT (IMPROVING ACCOUNTABILITY ON DIRECTOR AND EXECUTIVE REMUNERATION) ACT 2011* ADDRESSED CONFLICTS OF INTEREST IN THE EXECUTIVE REMUNERATION-SETTING PROCESS, PROHIBITING KEY MANAGEMENT PERSONNEL AND THEIR CLOSELY-RELATED PARTIES FROM VOTING ON REMUNERATION MATTERS.

There was an exception allowing the Chair to vote undirected proxies where the shareholder gave informed consent for the Chair to exercise the proxy. However it was unclear if this exception applied to the non-binding vote required under Section 250R of the *Corporations Act 2001*.

The *Corporations Amendment (Proxy Voting) Act 2012* (the Act) was recently passed to address these concerns. It clarifies that the Chair of an annual general meeting (AGM), who is also a member of the company's key management personnel, will be able to exercise undirected proxies on the **non-binding vote on remuneration**, where a shareholder provides their express authorisation in accordance with the requirements of the ASX Listing Rules for meetings.

The Act received Royal Assent on 27 June 2012 and is effective from the day after, i.e. 28 June 2012. This means that these proxy voting amendments can be applied immediately (for example for March 2012 year ends holding AGMs in August 2012).

ASIC RELEASES RESULTS OF ITS ANNUAL SURVEILLANCE PROGRAMME

ON 26 JUNE 2012, THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION (ASIC) ISSUED A MEDIA RELEASE WITH THE RESULTS OF THEIR ANNUAL SURVEILLANCE PROGRAMME COVERING REVIEWS OF ANNUAL AND HALF-YEAR FINANCIAL REPORTS FOR PERIODS ENDING 31 DECEMBER 2011 (120 FINANCIAL REPORTS OF LISTED ENTITIES AND UNLISTED ENTITIES WITH LARGER NUMBERS OF USERS).

ASIC recognises that financial reporting in Australia is generally of a high standard, but they continue to identify deficiencies in key areas and have made enquiries of a number of entities, resulting in a number of material adjustments being made.

Primary focus areas

The Media Release identifies the following areas that directors and auditors should primarily focus on for 30 June 2012 financial reports:

Revenue recognition and expense deferral policies

Revenue should be recognised according to the substance of the transaction, i.e. directors and auditors should ensure that revenue is appropriately recognised in accordance with AASB 118 *Revenue*. If revenue relates to the sale of goods **and** services, revenue must be appropriately allocated between the two.

Expenses should only be deferred where balance sheet amounts meet the definition of 'asset' under Accounting Standards, it is probable that future economic benefits will arise and the requirements of AASB 138 *Intangible Assets* have been met (e.g. expensing start-up costs, training, relocation, research etc.).

Asset values and disclosure of associated assumptions

ASIC is concerned about the carrying values of goodwill, other intangibles and property, plant and equipment (PPE). In light of the current economic conditions, directors should ensure the continuing appropriateness of the underlying assumptions used in value-in-use calculations to determine recoverable amounts.

ASIC will be focussing future reviews on companies with substantial assets in emerging economies (e.g. China).

Given the subjectivity of many asset valuations, ASIC also note that key assumptions and the sensitivity analysis should be disclosed to enable users to make their own assessment about carrying values.

ASIC also noted that:

- All entities (not just emitters) should remember to take into account the impact of the carbon tax for impairment testing
- If subject to the Minerals Resource Rent Tax (MRRT) and using the market approach to value the starting base allowance, entities should obtain proper market valuations and recognise deferred tax assets.

Off-balance sheet arrangements

Directors should review the treatment of all off-balance sheet arrangements, and be on the look-out for special purpose entities (SPEs) that should be consolidated, i.e. where the entity:

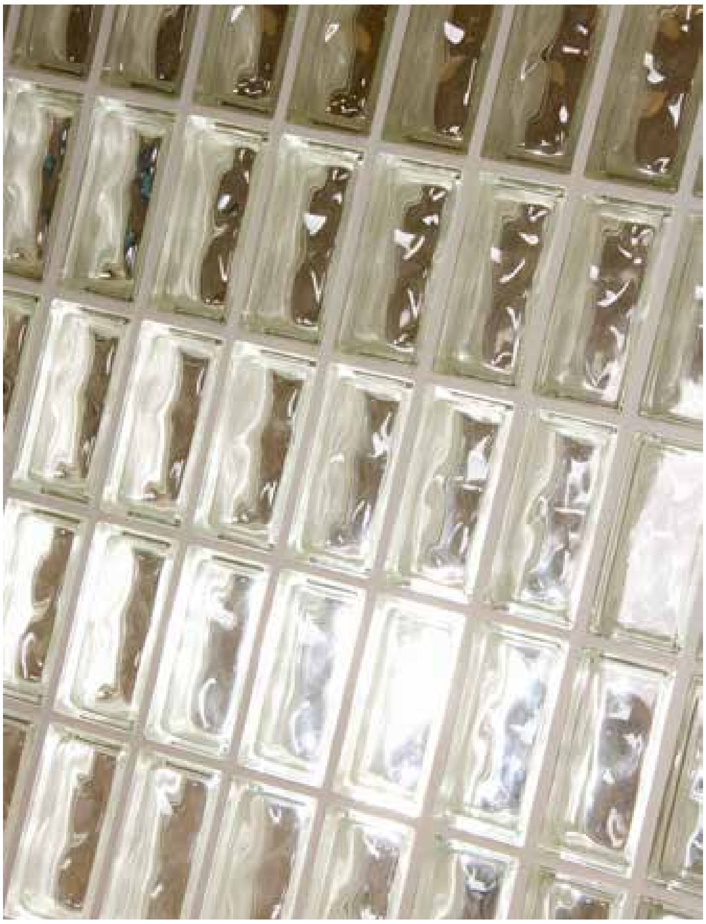
- Has the right to the majority of benefits of the SPE's activities
- Is exposed to the majority of risks.

If SPE arrangements are not consolidated (i.e. remain off-balance sheet), disclosure is required in respect of:

- The SPE arrangement that has not been consolidated
- Reasons why it has not been consolidated.

Going concern

ASIC is concerned that there are a number of entities experiencing financial and liquidity difficulties, and in a number of cases, the financial report disclosure did not give a balanced reflection of the seriousness of the situation.



Directors' assumptions about future prospects therefore need to be realistic and if significant uncertainty exists about going concern, the financial report must adequately disclose:

- Details of the uncertainty
- Reasons why the directors consider the entity to be a going concern.

Useful and meaningful information for investors

The Media Release also identifies six other focus areas which provide useful and meaningful information to investors. These include:

Non-IFRS financial information disclosure

ASIC has reviewed the financial reports, market announcements and investor and analyst presentations (and related media releases) of more than 150 entities since they released Regulatory Guide 230 *Disclosing non-IFRS financial information* in December 2011.

Pleasing results included:

- Significantly fewer entities reporting non-IFRS profit measures in their income statements, with managed investment schemes disclosing cash distribution information in the notes to the financial statements
- Improvement in the way non-IFRS information is shown in other documents (e.g. greater prominence to IFRS information, labelling, reconciliations, etc.).

However, ASIC have contacted a few entities to 'please explain' regarding:

- Giving more prominence to non-IFRS financial information compared to IFRS information
- Showing 'constant currency' profit in a misleading manner
- Disclosing non-IFRS profit on the face of the income statement
- Using multiple non-IFRS profit measures in a confusing manner
- Failing to disclose a clear reconciliation of IFRS to non-IFRS profit in company's profit announcement.

Directors should continue to refer to RG 230 when making non-IFRS disclosures.

Operating and financial reviews

Directors should ensure that operating and financial reviews comply with s299A of the *Corporations Act 2001*. The 'unreasonable prejudice' exemption should not be used to avoid disclosing information about business strategies and prospects for future performance where this information has been provided to analysts.

Current vs. non-current classifications

Directors need to ensure that for liabilities classified as non-current, there is a contractual right to defer settlement for more than 12 months after the end of the reporting period. For example, resident bonds held by retirement or nursing homes are usually repayable on demand in circumstances outside the entity's control, e.g. if a resident dies. Therefore these should be classified as current liabilities. Directors should also have regard to loan maturities, annual review clauses and breaches of lending covenants when determining whether a loan is current or non-current. ASIC is also looking at the classification of assets as current.

Estimates and accounting policy judgements

Directors need to ensure that they disclose material sources of estimation uncertainty and significant judgements in applying accounting policies. Some entities make 'boiler plate' disclosures. ASIC is looking for disclosure about estimation uncertainty and accounting policy judgements for **specific** assets and liabilities.

Financial instruments

Some entities are still omitting important disclosures about financial instruments, such as:

- Age analysis of financial instruments past due but not impaired
- Analysis of impaired financial assets
- Methods and significant assumptions used to value financial assets with no observable market data (level three financial instruments).

New accounting standards

Last but not least, ASIC reminds entities that there are three new Accounting Standards (AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements* and AASB 12 *Disclosure of Interests in Other Entities*) that will apply for the first time for financial periods beginning on or after 1 January 2013 (i.e. 30 June 2014 year ends), with retrospective restatement required back to 1 July 2012.

Entities should be 'well advanced' in determining the impact on the opening balance sheet at 1 July 2012 (30 June 2012 equivalent) and these impacts must be disclosed under paragraph 30 of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

IASB ISSUES STANDARD TO CLARIFY TRANSITION DATE FOR IFRS 10 *CONSOLIDATED FINANCIAL STATEMENTS* (AND IFRS 11 AND IFRS 12)

ON 28 JUNE 2012 THE INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB) PUBLISHED *CONSOLIDATED FINANCIAL STATEMENTS, JOINT ARRANGEMENTS AND DISCLOSURES OF INTERESTS IN OTHER ENTITIES: TRANSITION GUIDANCE – AMENDMENTS TO IFRS 10, IFRS 11 AND IFRS 12* (THE AMENDMENTS). THE AMENDMENTS RESULT FROM THE PROPOSALS IN THE EXPOSURE DRAFT ED/2011/7 *TRANSITION GUIDANCE (PROPOSED AMENDMENTS TO IFRS 10)* PUBLISHED IN DECEMBER 2011 (THE ED) WHICH WAS DISCUSSED IN OUR FEBRUARY 2012 EDITION OF ACCOUNTING NEWS.

The amendments clarify certain aspects when an entity transitions from IAS 27 *Consolidated and Separate Financial Statements*/SIC-12 *Consolidation – Special Purpose Entities* to the new consolidation standards IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other entities* which become effective 1 January 2013.

The IASB confirmed its proposal that the **date of initial application** is the **beginning of the annual reporting period for which IFRS 10 is applied for the first time**, and not the beginning of the comparative period.

Example:

Entity ABC has a 31 December year end and first adopts IFRS 10 for the year ended 31 December 2013.

Date of initial application is 1 January 2013 (not 1 January 2012).

This means that the decision whether consolidation is, or is not required, is made on 1 January 2013 (not 1 January 2012).

Further clarifications

The IASB also confirmed the following:

- There is no change to the accounting if the consolidation conclusion reached at the date of initial application under IFRS 10 is the same as under the current version of IAS 27 *Consolidated and Separate Financial Statements*.
- You do not need to consolidate subsidiaries disposed of, or over which you lost control, in the prior (comparative) year that were not consolidated under IAS 27 or SIC-12 or IFRS 3 *Business Combinations* at the date of initial application.

In addition, the Board also clarified which versions of IFRS 3 (2004 or 2008) and IAS 27 (2003 or 2008) are to be applied where IFRS 10 requires consolidation but IAS 27 or SIC-12 did not.

The amendments also provide relief for presenting comparative information. Adjusted comparative information is required for the prior year only. Adjusted comparatives for earlier periods is not required, but is permitted. IFRS 11 was also amended to provide similar relief on the presentation of comparative information.

The amendments also provide additional transition relief to IFRS 12 by eliminating the requirement to present comparatives for the disclosures relating to unconsolidated structured entities before IFRS 12 is first applied.

Our February 2012 edition of Accounting News sets out examples illustrating the application of these transitional requirements which have now been confirmed by the IASB.

IFRS INTERPRETATIONS COMMITTEE ISSUES DRAFT GUIDANCE ON LEVIES CHARGED BY PUBLIC AUTHORITIES ON ENTITIES THAT OPERATE IN A SPECIFIC MARKET

Background

On 31 May 2012 the IFRS Interpretation Committee issued for comment Draft IFRIC Interpretation DI/2012/1 *Levies Charged by Public Authorities on Entities that Operate in a Specific Market* (DI). The Australian Accounting Standards Board issued equivalent Draft Interpretation of same name.

A public authority (e.g. national or regional governments) may impose a levy on entities that operate in a specific market.

The Interpretations Committee received a request to clarify whether, under certain circumstances, IFRIC 6 *Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment* should be applied by analogy to identify the obligating event that gives rise to a liability for other levies charged by public authorities on entities that operate in a specific market.

The question raised by constituents relates to how an entity accounts for levies, where an activity triggers a levy which is based on financial data of a preceding period (see Illustrative Example 2 below).

The questions relate to when the liability to pay a levy should be recognised and to the definition of a present obligation in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Scope

The DI lists the following characteristics that a levy must have to be within the scope of the DI:

- It requires a transfer of resources to a public authority or its designate in accordance with legislation (i.e. laws and/or regulations)
- It is paid by entities that operate in a specific market (such as a specific country, a specific region or a specific market in a specific country) as identified by the legislation
- It is a non-exchange transaction (i.e. a transaction in which the entity paying the levy does not receive any specific asset in direct exchange for the payment of the levy)
- It is triggered when a specific activity, identified by the legislation, occurs
- The calculation basis of the levy uses data for the current period or a previous reporting period, such as the gross amount of revenues, assets or liabilities.

The following are outside the scope of the DI:

- Income taxes within the scope of IAS 12 *Income Taxes*
- Levies that are due only if a minimum revenue threshold is achieved. This scope exemption is a result of the Interpretations Committee not reaching a consensus as to whether the obligating event is the generation of revenues only after the threshold is passed or the generating of revenue as the entity makes progress towards the revenue threshold
- Fines or other penalties imposed for breaches of the legislation
- Contracts between a public authority and a private entity.

Issues/Consensus

What is the obligating event that gives rise to a liability to pay a levy?

The event that gives rise to a liability is the activity that triggers the payment of the levy as identified by the legislation.

For example, if the activity that triggers the payment of a levy is the generation of revenues in the current period and the calculation of that levy is based on revenues generated in a previous period, the obligating event for that levy is the generation of revenues in the current period (see Illustrative Example 2 below).

Does the economic compulsion to continue to operate in a future period create a constructive obligation to pay a levy that will arise from operating in that future period?

No. An entity does not have a constructive obligation to pay a levy that will arise from operating in a future period as a result of being economically compelled to continue operating in that future period (see Illustrative Example 3 below).

Does the going concern principle imply that an entity has a present obligation to pay a levy that will arise from operating in a future period?

No. The preparation of financial statements under the going concern principle does not imply that an entity has a present obligation to continue to operate in the future.

The going concern principle does therefore not lead to the entity recognising a liability at a reporting date for levies that will arise from operating in a future period.

Does the recognition of a liability to pay a levy arise at a point in time or does it, in some circumstances, arise progressively over time?

The liability to pay a levy is recognised progressively if the obligating event occurs over a period of time (i.e. if the activity that triggers the payment of the levy occurs over a period of time).

For example, a liability to pay a levy is recognised progressively if the obligating event is the progressive generation of revenues in the current period over a period of time (see Illustrative Example 1 below).

Can the levy expense be anticipated or deferred in the interim financial statements?

The same recognition principles are applied in the interim financial statements as in the annual financial statements. The DI clarifies that in the interim financial statements, the levy expense should not be anticipated if there is no present obligation to pay the levy at the end of the interim reporting period and the levy expense should not be deferred if a present obligation to pay the levy exists at the end of the interim period.

Effective Date and transition

The DI does not propose an effective date. However, earlier application would be permitted once the DI is finally issued.

The finalised requirements of the DI would be required to be applied retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors.*

Comment period

The IFRS Interpretations Committee has requested the submission of comments on its proposals by 5 September 2012, however comments are due to the AASB by 13 August 2012.

Illustrative Examples Replicated from DI/2012/1

Example 1 – A levy is triggered progressively as the entity generates revenues in a specific market

Entity A has an annual reporting period that ends on 31 December. A levy is triggered progressively as Entity A generates revenues in a specific market in 20X1. The amount of the levy is determined by reference to revenues generated by Entity A in the market in 20X1.

In this example, the liability is recognised progressively during 20X1 as the entity generates revenues, because the obligating event, as identified by the legislation, is the progressive generation of revenues during 20X1. At any point in 20X1, Entity A has a present obligation to pay a levy on revenues generated to date. Entity A has no present obligation to pay a levy that will arise from generating revenues in the future. In other words, the obligating event occurs progressively during 20X1, because the activity that triggers the payment of the levy, as identified by the legislation, occurs progressively during 20X1.

In the interim financial report (for example at 30 June 20X1), Entity A has an obligation to pay the levy on revenues generated from 1 January 20X1 to the end of the interim period. As a result, an expense that is based on revenues generated in each respective interim period is recognised in the corresponding 20X1 interim periods.

Example 2 – A levy is triggered in full as soon as the entity generates revenues in a specific market

Entity B has an annual reporting period that ends on 31 December. A levy is triggered in full as soon as Entity B generates revenues in a specific market in 20X1. The amount of the levy is determined by reference to revenues generated by Entity B in the market in 20X0. Entity B generated revenues in the market in 20X0 and starts to generate revenues in the market in 20X1 on 3 January 20X1.

In this example, the liability is recognised in full on 3 January 20X1 because the obligating event, as identified by the legislation, is the first generation of revenues in 20X1. The generation of revenues in 20X0 is necessary, but not sufficient, to create a present obligation to pay a levy. Before 3 January 20X1, Entity B has no obligation. In other words, the activity that triggers the payment of the levy as identified by the legislation is the first generation of revenues at a point in time in 20X1. The generation of revenues in 20X0 is not the activity that triggers the payment of the levy. The amount of revenues generated in 20X0 only affects the measurement of the liability.

In the interim financial report, because the liability is recognised in full on 3 January 20X1, the expense is recognised in full in the first interim period of 20X1. The expense shall not be deferred until subsequent interim periods and shall not be anticipated in previous interim periods.

Example 3 – A levy is triggered if the entity operates as a bank at the end of the annual reporting period in a specific market

Entity C has an annual reporting period that ends on 31 December. A levy is triggered only if Entity C operates as a bank at the end of the annual reporting period in a specific market. The amount of the levy is determined by reference to amounts in the balance sheet of Entity C at the end of the annual reporting period. The end of the annual reporting period of Entity C is 31 December 20X1.

In this example, the liability is recognised on 31 December 20X1 because the obligating event, as identified by the legislation, is to operate as a bank at the end of the annual reporting period. Before the end of the annual reporting period, Entity C has no present obligation to pay a levy, even if it is economically compelled to continue to operate in the future and to operate as a bank at the end of the annual reporting period. In other words, the activity that triggers the payment of the levy as identified by the legislation is to operate as a bank at the end of the annual reporting period, which does not occur until 31 December 20X1. Even if the amount of the liability is based on the length of the reporting period, that does not imply that the liability should be recognised progressively during 20X1, because the obligating event is to operate as a bank at the end of the annual reporting period.

In the interim financial report, because the liability is recognised in full on 31 December 20X1, the expense is recognised in full in the last interim period of 20X1. The expense shall not be deferred until subsequent interim periods and shall not be anticipated in previous interim periods.

LEASING UPDATE – OPERATING LEASES TO STAY?

Lessee accounting

At their June 2012 meeting, the IASB and the US Financial Accounting Standards Board (FASB) tentatively decided that while some leased assets would be accounted for using the 2010 Exposure Draft approach (effective interest method), other leases should result in straight-line expensing.

A lessee should distinguish between these two types of leases on the basis of whether the lessee **acquires and consumes more than an insignificant portion of the underlying asset over the lease term.** This principle should be applied by using a 'practical expedient' based on the nature of the underlying asset as follows:

Leases of property

For leases of property (land or a building or part of a building or both), the straight line approach would be used unless:

- The lease term is for the major part of the economic life of the underlying asset
- The present value of fixed lease payments accounts for substantially all of the fair value of the underlying asset.

Leases of assets other than property

These should be accounted for using an approach similar to that proposed in the 2010 exposure draft, unless:

- The lease term is an insignificant portion of the economic life of the underlying asset
- The present value of the fixed lease payments is insignificant relative to the fair value of the underlying asset.

Lessor accounting

Both Boards also tentatively decided to change their approach on lessor accounting, distinguishing between leases to which:

- The 'receivable and residual' approach applies
- An approach similar to operating leases would apply.

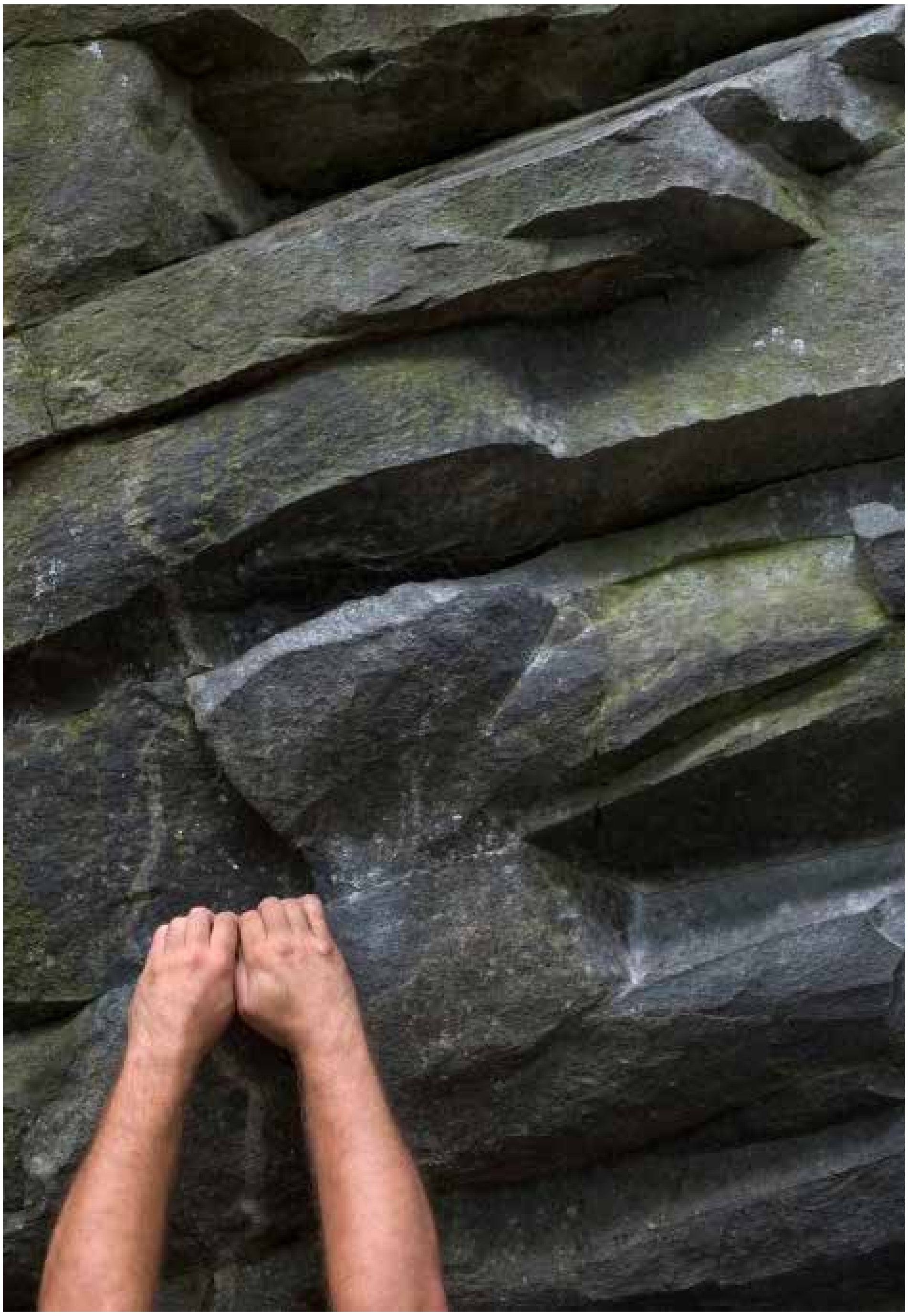
These two types of leases would be distinguished using the same criteria as for lessee accounting. So lessors would apply the 'receivable and residual' approach where the lessee acquires and consumes more than an insignificant portion of the underlying asset over the lease term.

The latest IASB project timetable (updated 14 June 2012) indicates that an updated exposure draft on leases is due out Q4 2012. We will endeavour to keep you updated on major progress on this project in future editions of this newsletter.

COMMENTS SOUGHT ON EXPOSURE DRAFTS

At BDO, we provide comments locally to the AASB and internationally to the IASB. We welcome any client comments. If you would like to provide any comments, please contact Wayne Basford.

DOCUMENT	PROPOSALS	COMMENTS DUE TO AASB BY	COMMENTS DUE TO IASB/ INTERPRETATIONS COMMITTEE BY
ED 225 *Annual Improvements to IFRSs 2010–2012 Cycle*	Proposes various small amendments to AASB 2, AASB 3, AASB 8, AASB 13, AASB 101, AASB 107, AASB 112, AASB 116, AASB 124 and AASB 136	13 August 2012	5 September 2012
Draft Interpretation DI/2012/1 *Levies Charged by Public Authorities on Entities that Operate in a Specific Market*	Clarifies when a liability resulting from levies charged by public authorities should be recognised.	13 August 2012	5 September 2012
Draft Interpretation DI/2012/2 *Put Options Written on Non-controlling Interests*	Clarifies the accounting for the subsequent measurement of written put options on non-controlling interests	3 September 2012	1 October 2012



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