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IFRS-FA – öffentliche SITZUNGSUNTERLAGE

Sitzung:	30. IFRS-FA / 01.09.2014 / 14:30 – 15:30 Uhr
TOP:	06 – Conceptual Framework
Thema	Aktuelle Entwicklungen
Papier:	30_06a_IFRS-FA_CF_Entwicklungen

Inhalt: Update bzgl. der vorläufigen Entscheidungen des IASB

- *Transition and effective date*
- *Business model*
- *Asset definition: Control*
- *Liability definition : Present obligation and no practial ability*
- *Derecognition*
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- *Measurement*
  - *Objective and effect of qualitative characteristics*
  - *Categories*
  - *Cash flow-based measurement*
- *Profit or loss and other comprehensive income*
- *Presentation and disclosure: Scope and content*

Transition and effective date

IASB vorläufige Entscheidung:

a) The IASB and the IFRS Interpretations Committee should apply the revised *Conceptual Framework* immediately after its publication.

b) A transition period of no less than approximately 18 months should be allowed for entities that use the *Conceptual Framework* to develop and apply accounting policies for a transaction, other event or condition for which no IFRS specifically applies. Early application should be permitted.

c) No additional guidance on transition should be provided in the revised *Conceptual Framework*. Consequently, entities would be required to apply the provisions of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to any changes in accounting policy arising from an application of the revised *Conceptual Framework*.

Business model

IASB vorläufige Entscheidung:

Exposure Draft should not provide a single overarching description of how the nature of an entity’s business activities would affect standard-setting. Instead, the IASB should describe, for each area affected, how consideration of an entity’s business activities would affect standard setting. The IASB also indicated that the nature of an entity’s business activities is likely to affect measurement, the unit of account, the distinction between profit or loss and OCI, and presentation and disclosure. It is less likely to affect other areas covered by the *Conceptual Framework*.

Asset definition: Control (1/2)

IASB vorläufige Entscheidung:

a) The requirement for control should not move from the asset definition to the asset recognition criteria.

b) The definition of an asset should continue to require an economic resource to be 'controlled' by the entity. The definition should not be changed so that it instead (or in addition) requires the entity to have exposure or rights to the significant risks and rewards of ownership of the resource.

c) Supporting guidance should identify exposure to the significant risks and rewards of ownership as an indicator of control (but explain that it is only one factor to consider in the overall assessment).

d) The terminology relating to control should be consistent with that in IFRS 10 *Consolidated Financial Statements*. Instead of using the term 'risks and rewards of ownership', the *Conceptual Framework* should use wording that explains the meaning of that term, ie 'exposure, or rights, to variations in benefits.

e) The *Conceptual Framework* should state that an entity controls an economic resource if it has the present ability to direct the use of the economic resource and obtain the economic benefits that flow from it.

Asset definition: Control (2/2)

IASB vorläufige Entscheidung:

a) Adding clarification that a component of control is the ability to prevent other parties from directing the use of, and obtaining the benefits from, the economic resource.
b) Deleting some of the examples that were included in the Discussion Paper.

Liability definition: Present obligation

IASB vorläufige Entscheidung:

An entity has a present obligation to transfer an economic resource as a result of past events if both:

a) the entity has no practical ability to avoid the transfer; and
b) the amount of the transfer is determined by reference to benefits that the entity has received, or activities that it has conducted, in the past.

Liability definition: No practial ability

IASB vorläufige Entscheidung:

The *Conceptual Framework* should clarify that the fact that an entity intends to make a transfer or that the transfer is probable is not sufficient to conclude that the entity has no practical ability to avoid the transfer. The *Conceptual Framework* should include the following general guidance:

a) Most obligations arise from contracts, legislation or some other operation of the law. In the absence of legal enforceability, an entity has no practical ability to avoid transferring an economic resource if its customary practices, published policies or specific statements create a valid expectation in another party that the entity will transfer the resource to (or on behalf of) that other party. In such situations, the entity has a constructive obligation to transfer the resource.

b) In some situations, an entity may be required to transfer an economic resource if it takes a particular course of action in the future, such as conducting particular activities or exercising particular options within a contract. In such situations, if the entity has no practical ability to avoid the particular course of action that would require the transfer, and the other criterion is also met (the amount of the transfer is determined by reference to benefits that the entity has received, or activities that it has conducted, in the past), the entity has a present obligation.

c) Situations in which an entity has no practical ability to avoid a particular course of action include those in which all courses of action that avoid the transfer would cause significant business disruption or would have economic consequences significantly more adverse than the transfer itself.

d) An entity that prepares financial statements on a going concern basis has no practical ability to avoid a transfer that could be avoided only by liquidating the entity or ceasing trading.

Derecognition

IASB vorläufige Entscheidung:

The *Conceptual Framework* should describe the approaches available, and discuss what factors to consider, in deciding at the Standards level:

a) how best to portray the changes that result from a transaction in which an entity retains only a component of an asset or a liability, by either:
   i) full derecognition—ie derecognise the original asset (or liability) entirely and recognise any retained right (or obligation) as a new asset (or liability);
   ii) partial derecognition—ie continue to recognise the component of the original asset (or liability) that is retained and derecognise the component that is not retained; or
   iii) continued recognition—ie continue to recognise the original asset (or liability) and treat the proceeds received or paid for the transfer as a loan received (or granted); and

b) how to account for modifications of contracts.

Other elements

IASB vorläufige Entscheidung:

> The *Conceptual Framework* should not define elements for the statement of changes in equity and for the statement of cash flows. Eleven IASB members agreed with this decision. Thus, the only elements would continue to be assets, liabilities and equity, and income and expenses.

Measurement: Objective

IASB vorläufige Entscheidung:

Exposure Draft should:
a) *not* define a separate measurement objective; and
b) describe as follows how measurement contributes to the overall objective of financial reporting:

"Measurement is the process of quantifying in monetary terms information about the resources of an entity, claims against the entity and changes in those resources and claims. Such information helps users to assess the entity’s prospects for future cash flows and assess management’s stewardship of the entity’s resources."

Measurement: Effect of qualitative characteristics (1/2)

IASB vorläufige Entscheidung:

The Exposure Draft should:

a) state that when the IASB selects a measurement basis, it should consider the nature and relevance of the resulting information produced in both the statement of financial position and the statement(s) of profit or loss and other comprehensive income (OCI).

b) state that:
   i) the level of uncertainty associated with the measurement of an item is one of the factors that should be considered when selecting a measurement basis; and
   ii) if a measurement is subject to a high degree of measurement uncertainty, that fact does not, by itself, mean that the measurement does not provide relevant information.

c) not make explicit use of the term ‘reliability’ when describing the level of measurement uncertainty associated with the measurement of an item.

d) retain the discussion of faithful representation included in the Discussion Paper.

e) discuss in the measurement section that a faithful representation by itself does not necessarily result in useful information. The information provided by the representation must also be relevant.

Measurement: Effect of qualitative characteristics (2/2)

IASB vorläufige Entscheidung:

The Exposure Draft should:

f) explain the need to weigh the benefits of introducing a new or different measurement basis against any increased costs or complexity. This would replace the statement in the Discussion Paper that the number of measurement bases should be the smallest necessary to provide relevant information.

g) retain the discussion of necessary and unnecessary changes in measurement bases included in the Discussion Paper.

h) retain the discussion of the other enhancing qualitative characteristics included in the Discussion Paper.

i) state explicitly in the measurement section that the cost-benefit constraint is one of the factors the IASB should consider when selecting a measurement.

Measurement: Categories

IASB vorläufige Entscheidung:

The Exposure Draft should:
a) *not* define a separate measurement objective; and
b) describe as follows how measurement contributes to the overall objective of financial reporting:

"Measurement is the process of quantifying in monetary terms information about the resources of an entity, claims against the entity and changes in those resources and claims. Such information helps users to assess the entity's prospects for future cash flows and assess management's stewardship of the entity's resources."

Measurement: Cash flow-based measurement

IASB vorläufige Entscheidung:

The purpose of cash flow-based measurement techniques is normally to implement one of the measurement bases that will be described in the *Conceptual Framework*. However, if the IASB decides in a particular Standard to use a cash flow-based measurement technique to implement a measurement basis that is not one of those described in the *Conceptual Framework*, the Basis for Conclusions on that Standard should explain why.

Furthermore the Exposure Draft should include additional guidance on:

a) the different approaches to dealing with uncertain cash flows;
b) the use of discount rates. This guidance would state, among other things, that if an entity measures an item using a cash flow-based measurement technique, and the effect of the time value of money is significant for the cash flows associated with that item, then the entity should discount those cash flows to reflect the time value of money; and
c) how to decide when the measurement of a liability should include the effect of a reporting entity's own credit standing.

Profit or loss and other comprehensive income (OCI)

IASB vorläufige Entscheidung:

The Exposure Draft should:

a) propose that the presumption for including items of income and expense in profit or loss cannot be rebutted for items of income and expense that arise when cost-based measures are used for assets and liabilities.

b) propose that the presumption for including items of income and expense in profit or loss can only be rebutted for changes in current measures of assets and liabilities, and only if including those changes—or components of those changes—in OCI enhances the relevance of profit or loss as the primary source of information about an entity's performance for the period; and

c) emphasise that including items of income and expense resulting from changes in current measures of assets and liabilities—or components of those changes—in OCI is an application of the classification, aggregation and disaggregation principle for presentation and disclosure, which is designed to provide effective communication of financial information and to make that information more understandable.

Presentation and disclosure: Scope and content (1/2)

IASB vorläufige Entscheidung:

The Exposure Draft should:

a) *not* introduce the notion of 'primary financial statements' that had been proposed in the Discussion Paper;

b) state that the objective of financial statements is to provide information about an entity's assets, liabilities, equity, income and expenses that is useful to users of financial statements in assessing the prospects for future net cash inflows to the entity and in assessing management's stewardship of the entity's resources. As a result, financial statements provide information about the financial position, financial performance and cash flows of an entity.

c) discuss disclosures that the IASB would normally consider requiring in setting Standards (but should not provide examples of different types of disclosures);

d) retain the discussion of disclosure of risks and forward-looking information proposed in the Discussion Paper. In particular:

   i) the IASB would normally consider requiring disclosures about the nature and extent of risks arising from the entity's assets and liabilities; and

   ii) the IASB should require forward-looking information to be included in the notes to the financial statements only if it provides relevant information about the assets and liabilities that existed at the end of, or during, the reporting period;

Presentation and disclosure: Scope and content (2/2)

IASB vorläufige Entscheidung:

The Exposure Draft should:

e) retain the guidance on classification and aggregation, offsetting and comparative information proposed in the Discussion Paper; in particular that:
   i) in order to present information that is understandable, an entity should classify, aggregate and disaggregate information about recognised elements in a way that reflects similarities in the properties of the information;
   ii) offsetting items of dissimilar nature does not generally provide the most useful information; and
   iii) comparative information is an integral part of an entity's financial statements for the current period because it provides relevant trend information.