

Review Times

SEPTEMBER 2015



PART 1: FINANCIAL REPORTING

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1.1 IASB proposes clarifications to IFRS 15

On 30 July 2015, the International Accounting Standards Board (IASB) published Exposure Draft (ED/2015/6) *Clarifications to IFRS 15* relating to some proposed clarifications to, and transition reliefs for International Financial Reporting Standard (IFRS) 15 *Revenue from Contracts with Customers*.

The proposed targeted amendments follow discussions at meetings of the Transition Resource Group (TRG), which was set up jointly by the IASB and the US Financial Accounting Standards Board (FASB) to support companies in implementing IFRS 15 after it was issued in May 2014.

The ED proposes to clarify:

- ◆ how to identify the performance obligations in a contract;
- ◆ how to determine whether a party involved in a transaction is the principal (responsible for providing the goods or services) or the agent (responsible for arranging for the goods or services to be provided to the customer); and
- ◆ how to determine whether a licence provides the customer with a right to access or a right to use the entity's intellectual property.

In addition, the IASB proposes two reliefs to aid the transition to IFRS 15.

The ED is open for comment until 28 October 2015. To access the ED, please click [here](#). The IASB expects to complete its discussions on these issues by the end of 2015, after which the final amendments to IFRS 15 will be issued.

1.2 IASB proposes to postpone accounting changes for transactions between investors and associates or joint ventures

On 10 August 2015, the IASB published ED/2015/7 *Effective Date of Amendments to IFRS 10 and IAS 28* which contains a proposal to postpone the date when entities must change some aspects of how they account for transactions between investors and associates or joint ventures.

The proposed postponement would apply to changes introduced by the IASB in 2014 through narrow-scope amendments to IFRS 10 *Consolidated Financial Statements* and International Accounting Standard (IAS) 28 *Investments in Associates and Joint Ventures*. Those changes affect how an entity should determine any gain or loss it recognises when assets are sold or contributed between the entity and an associate or joint venture in which it invests. The changes do not affect other aspects of how entities account for their investments in associates and joint ventures.

PART 1: FINANCIAL REPORTING (CONT'D)

1.2 IASB proposes to postpone accounting changes for transactions between investors and associates or joint ventures (Cont'd)

The proposed postponement would remove the current requirement to make these particular changes by 2016. Instead, entities could wait until after the IASB has carried out a planned broader review that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

The ED is open for comment until 9 October 2015 and can be accessed [here](#).

PART 2: ASSURANCE AND AUDITING

2.1 IAASB proposes changes to ISA 810

On 3 August 2015, the International Auditing and Assurance Standards Board (IAASB) released an ED proposing changes to International Standard on Auditing 810, *Engagements to Report on Summary Financial Statements*. ISA 810 deals with the auditor's responsibilities relating to an engagement to report on summary financial statements derived from financial statements audited in accordance with ISAs by that same auditor. The IAASB is proposing limited conforming amendments to ISA 810 as a result of the issuance of its new and revised Auditor Reporting standards, which address auditor reporting on general purpose financial statements.

The proposed effective date of ISA 810 (Revised) is for audits of financial statements for periods ending on or after December 15, 2016. This is to align with the effective date of the new and Revised Auditor Reporting Standards

The ED is open for comment until 2 November 2015. To access the ED, please click [here](#).

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