

# IFRS News

Shedding light on the IASB's activities\*

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## Issue of the month

### Proposed changes to accounting for sale and leaseback transactions

This article explains the current IFRS guidance on sale and leaseback transactions. The IFRIC has questioned this guidance while drafting its interpretations on service concessions (D12-14). IFRS preparers should be aware that some sale and leaseback transactions that they have entered into in the past, or are planning to enter into the future, may be affected by the proposals. These proposals are outlined below. By Jan Buisman and Tasos Nolas.

Some observers believe that IAS 18 applies to sale and leaseback transactions; the asset remains at its original carrying amount, and disposal proceeds are shown as a liability if the sale does not meet the IAS 18 recognition criteria.

Sale and leaseback transactions are specifically within the scope of IAS 17 and SIC-27. The IFRIC has recently proposed, in its draft interpretations on service concessions, that there is no sale in a sale and lease back transaction where the seller has an option to call the asset back. Therefore, money received is, in substance, a collateralised borrowing.

Major changes in the financial statements could result where options are used, if IFRIC's proposed approach becomes effective. Parties to such contracts should monitor IFRIC's progress.

#### Finance and operating leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time.

Leases are classified as finance or operating, based on the extent to which the lessor has transferred or the lessee has obtained 'substantially all' risks and rewards incidental to the ownership of the leased asset. A finance lease is 'a lease that transfers substantially all the risks and rewards incidental to the ownership of the asset' irrespective of the transfer of title. All other leases are categorised as operating leases.

**Sale and leaseback**

A sale and leaseback transaction involves the sale of an asset by the vendor and the lease of the same asset by the vendor. The lease payments and the sale price tend to be interdependent, as they are negotiated as a package. The accounting treatment for sale and leaseback transactions depends on the circumstances of the transaction and the lease classification. The IAS 17/SIC-27 guidance is explained below.

**Sale and finance leaseback**

A finance leaseback indicates that the transaction involves the lessor providing finance to the lessee, with the asset as security. It is not appropriate for the seller/lessee to regard an excess of sale proceeds over the carrying amount of the asset as a gain at the time of the transaction. The gain should be deferred and amortised over the lease term. Management should apply the same treatment when the transaction results in a loss. The amortisation is presented within 'other income' or 'other expense' in the income statement. It is not offset against lease expenditure.

**Sale and operating leaseback**

Any gain or loss is recognised immediately in the income statement within 'other income' or 'other expense' if the transaction results in an operating leaseback and is at fair value. The transaction is only at fair value if both the sales price and the lease payments are at fair value.

Any accounting profit or loss is recognised immediately if the sales price is below fair value, except when the loss is compensated by future below-market-rate lease payments. In this case, the loss is deferred and amortised in proportion to the lease payments over the lease term.

If the sales price is above fair value, the excess over fair value (the difference between sales price and fair value) should be deferred and amortised to

'other income' over the period for which the asset is expected to be used.

The asset should be written down to its fair value in a sale and operating leaseback transaction where the carrying amount is above fair value and the transaction results in a loss.

**Sale and leaseback with special purpose entities (SPEs)**

These transactions can be complex. An entity should consolidate an SPE when the substance of the relationship between the entity and the SPE indicates that the SPE is controlled by that entity. An entity should consolidate an SPE when it is exposed to a 'majority' of the SPE's or its asset's risks and rewards. It is therefore possible for a seller to derecognise an asset on the basis that it does not retain substantially all the risks and rewards of the asset, but it can consolidate the SPE when it is exposed to the 'majority' of risks and rewards of ownership.

**Sale and leaseback with options to put/call the asset**

- 1) The existence of an option held by the purchaser to put the asset back to the seller/lessee at a pre-determined price indicates that the lessee has guaranteed the asset's residual value. The predetermined price should be included in the minimum lease payments calculation. Any gain/loss arising on the transaction should be accounted for according to the lease classification requirements (see 'Sale and finance leaseback' and 'Sale and operating leaseback' above).
- 2) The existence of options held by the purchaser to put the asset back to the seller/lessee and by the seller/lessee to call the asset from the purchaser/lessor at a pre-determined price indicates that it is inevitable that one of the two parties will exercise the option. Management should apply SIC-27 in these circumstances only, instead of IAS 17. SIC-27 states that

the substance of these transactions is that there is no sale and leaseback transaction as defined by IAS 17. This approach results in the recognition of a financing transaction (collateralised borrowing). The purchaser should record a financial asset and the seller a financial liability without considering the lease classification, and follow IFRS guidance on sale and leaseback transactions.

- 3) The existence of an option allowing the seller/lessee to call the asset back at a pre-determined price or at fair value is addressed within the guidance of IAS 17 for lease classification. In establishing lease classification:

- Management should consider whether the pre-determined price is expected to be sufficiently lower than its fair value. The lease should be classified as a finance lease if the answer is yes. If the answer is no, the lease should be classified as operating in the absence of other finance lease indicators; and
- The lease is likely to be classified as operating in the absence of other finance lease indicators. The option to buy at fair value is not an indicator of a finance lease.

**IFRIC D12 and its implications**

The IFRIC draft interpretation D12 proposes amendments to the guidance explained in (3) above. It proposes that a written option, allowing the seller to call the asset at predetermined price or at fair value, indicates that the seller controls the asset. A sale cannot therefore be recognised. There is no sale and leaseback transaction in the absence of sale, as defined by IAS 17. The draft interpretation and subsequent IFRIC discussions explain that the sale should not be recognised, as it does not meet the IAS 18 requirements. The existence of the option indicates continuing managerial involvement of the level usually associated with ownership and effective control.



# Withdrawal of IFRIC 3: what are companies doing now?



GCRG's Yap-Kim Bong and Rich Sharko look at the alternative accounting treatments for emission rights since the IASB withdrew IFRIC 3 in July.

The IASB has withdrawn IFRIC 3, Emission Rights, following a request from the IFRIC to consider alternative solutions to emission rights accounting. The Board affirmed, when it withdrew IFRIC 3, that it is a correct interpretation of the current standards – the current standards create unsatisfactory measurement and reporting mismatches.

The withdrawal does not invalidate the IFRIC 3 interpretation of the current standards; some companies will choose to continue applying it, as they believe it is an appropriate approach under current IFRS. The majority will, however, seek to apply other accounting treatments.

## What are some of the approaches used?

We have looked at about seven proposed alternatives to IFRIC 3. Most have some conflict with the requirements of the current standards. Their problems range from presenting allowances and obligations on a net basis (which contradicts IAS 1), to recognising all fair value changes of allowances to the income statement on a mark-to-market basis (which contradicts IAS 38).

Two approaches (Approach A and Approach B in the table below) have some credibility. These approaches apply IAS 37 and IAS 20 differently from the

way they were proposed in IFRIC 3, as follows:

1. Both emission allowances and government grant can be recorded at a nominal amount in accordance with IAS 20; and/or
2. As emission obligations must be settled by surrendering allowances, the obligation can be measured, to the extent that it is expected to be settled using the allowances on hand, based on the carrying amount of those allowances.

The detailed treatments are outlined below.

	IFRIC 3 (withdrawn)	Approach A	Approach B
<b>Allowances (asset)</b>			
When to recognise	<ul style="list-style-type: none"> <li>● Recognise when able to exercise control</li> </ul>	<ul style="list-style-type: none"> <li>● Same as the withdrawn IFRIC 3</li> </ul>	<ul style="list-style-type: none"> <li>● Recognise when able to exercise control</li> </ul>
How much to recognise	<ul style="list-style-type: none"> <li>● Measure initially based on the market value at the date of initial recognition</li> <li>● Measure subsequently based on either: (1) the amount initially recognised (ie, cost model); or (2) the revalued amount (ie, revaluation model)</li> </ul>		<ul style="list-style-type: none"> <li>● Measure initially and subsequently at a nominal amount (usually zero)</li> </ul>
<b>Government grant</b>			
When to recognise	<ul style="list-style-type: none"> <li>● Recognise at the same time as the allowances</li> </ul>	<ul style="list-style-type: none"> <li>● Same as the withdrawn IFRIC 3</li> </ul>	<ul style="list-style-type: none"> <li>● Recognise at the same time as the allowances</li> </ul>
How much to recognise	<ul style="list-style-type: none"> <li>● Measure initially based on the market value of the allowances at the date of initial recognition</li> <li>● Amortise over the compliance period on a systematic and rational basis</li> </ul>		<ul style="list-style-type: none"> <li>● Measure initially and subsequently at a nominal amount (usually zero)</li> </ul>

Emission obligations (liability)			
When to recognise	<ul style="list-style-type: none"> <li>● Recognise when the liability is incurred</li> </ul>	<ul style="list-style-type: none"> <li>● Recognise when the liability is incurred</li> </ul>	<ul style="list-style-type: none"> <li>● Recognise when the liability is incurred</li> </ul>
How much to recognise	<ul style="list-style-type: none"> <li>● Re-measure the liability based on the market value of allowances at each period end, whether they are to be settled using the allowances on hand or to be purchased from the market.</li> </ul>	<ul style="list-style-type: none"> <li>● Re-measure the liability at each period end. For liability to be settled using allowances on hand – at the carrying amount of those allowances*; any excess emission is measured at the market value of allowances at the period end.</li> </ul>	<ul style="list-style-type: none"> <li>● Re-measure the liability at each period end. For liability to be settled using allowances on hand – at the carrying amount of those allowances (usually, zero); any excess emission is measured at the market value of allowances at the period end.</li> </ul>

\* Market value at the date of initial recognition if the cost model is used; market value at the date of latest revaluation if the revaluation model is used. The liability is measured on either first-in, first-out or weighted average basis in the event that different unit prices are applicable to the allowances on hand.

**Key implications**

Approach A is identical to IFRIC 3, except for the re-measurement of emission obligations. It measures an emission obligation based on the carrying amount of the allowances on hand if the liability is expected to be settled by those allowances. This avoids the measurement mismatches.

The proponents of Approach A argue that it mirrors the intentions of the European Union scheme for greenhouse gas emissions:

- The emitting companies should not suffer a loss if there is no excess emission;
- The emitting companies should enjoy a gain if they emit less than the allowances granted to them; and

- Any excess emission would need to be settled by buying allowances from the market. That portion of liability should therefore be re-measured based on the market value of the allowances at each period end.

Others question whether considering the entity-specific manner of settlement when measuring the liability complies fully with IAS 37. The problem of reporting mismatches is also not eliminated.

Approach B goes a step further than Approach A. Besides re-measuring the relevant portion of emission obligations at the carrying amount of allowances on hand, it records both allowances and government grant at a nominal amount (usually zero), which is allowed by IAS 20. This, however, results in a net presentation of allowances and emission

obligations and runs contrary to the argument that both items exist independently and are not linked transactions.

**Conclusion**

There are no accounting answers to emissions schemes under the current standards that match revenue and costs in the income statement and comply with the asset/liability recognition requirements. IFRIC 3 complies fully within the current accounting literature, but it has significant undesirable effects. The IASB acknowledged these and withdrew the interpretation to give companies some flexibility in getting an accounting result that avoids the volatility. Companies are left, for now, either to use the withdrawn IFRIC 3 or find an alternative that fits within the current standards.

## Strategic update at 'Meet the Experts'

The seventh annual Meet the Experts, sponsored by PwC, takes place on 31 October and 1 November. The global accounting event expects to attract around 550 senior financial executives including CEOs, CFOs and finance directors from 43 countries.

This year's event will provide updates on IFRS, US GAAP, global convergence, Sarbanes-Oxley section 404 and European corporate governance.

The technical issues under discussion are: FIN 46/SIC-12; transactions and business combinations; share-based payments; and financial instruments and hedging.

Key topics this year include:

- how IFRS is changing financial results,
- the impact of adopting IFRS on other areas of the business,
- the implications of Sarbanes-Oxley and European corporate governance rules, and
- developments in enforcement

Attendees can also put their questions to IASB member Jim Leisenring, FASB chairman Bob Herz and former SEC director Wayne Carnall.

To book your place, email [registration@iir-conferences.com](mailto:registration@iir-conferences.com), or call +44 207 915 5055.

# Financial reporting objective ‘threatened’ by business combinations proposals

Tony Good, Chair of Accounting Advocacy at the UK Society of Investment Professionals, talks to *IFRS News* about his concerns over the phase 2 business combinations proposals.

## What is your view of the proposal to adopt the economic entity model?

We are deeply unhappy with this proposed route for the business combinations standard. We see an approach here that is similar to that arising from the current discussions of the conceptual framework, where financial reporting is to be based on the entity rather than the current parent entity perspective. This is a profoundly mistaken approach and seems likely to create real problems in the future.

There is a large constituency of users who have a legitimate interest in corporate reporting. However, it is the equity owners of the parent company who must sit at the top of the financial reporting hierarchy. If that precise focus is lost, big problems are likely to arise in financial reporting.

There is plenty of scope for other reporting models to evolve and be included as specific supplementary-type reporting for other users. The mistake would be to confuse this with the financial reporting to the owners of the business. To base all financial reporting on the economic entity model is therefore, in our view, a profound mistake.

## What is your view of the full fair value of the business being put on the balance sheet?

Analysts usually prefer fair value to historical information, and full goodwill makes some sense conceptually. The US model of basing the cost on each particular slice of the acquisition as you move to full ownership does not seem very helpful. But there is a concern that the disclosures may not be completely

transparent – we must be able to see how much is the minority's share of the tangibles versus intangibles and goodwill.

## What other issues concern you?

We do have concerns that many more liabilities will now be recognised under the proposals. However, they may tend to be a myriad of smaller liabilities, rather than the large ones that investors are really interested in.

## ‘The equity owners of the parent company must sit at the top of the financial reporting hierarchy. If that focus is lost, big problems are likely to arise in financial reporting’

How would the company measure a huge but very uncertain liability reliably? Take, for example, a significant possible legal action against a company: it would be commercial suicide to estimate the extent of that liability and publish that estimate as you would have to.

## What about expensing transaction costs because the subsidiary is recognised at full fair value in the balance sheet?

It depends if you are looking at it from the buyer's or the seller's perspective. My view is that the entity is accountable for the capital it expends on an acquisition; it expects to earn a return on the total of its spending, so it is this total that should form the basis for the calculation of goodwill. Views on this issue vary greatly and are finely balanced. It seems to me that the company is spending shareholders' money, so it should be

accountable for the return on all it spends rather than just a part.

## Are there other points of opposition?

Owners and preparers are, I think, both concerned that sometimes it is difficult to communicate performance, which is after all an important part of what financial reports should do. Sometimes it is even said that we users of financial statements do not want all this extra information. This is not true. Some preparers are confusing a lack of preparedness on the part of the users with their not wanting this information. The market currently is on a huge learning curve.

Many constituents are uneasy about the convergence route that the IASB is taking with the FASB as it attempts to eliminate the need for reconciliations between the two systems. The US and Europe have very different legal and institutional frameworks, and this makes people nervous about the convergence of the standards and the route standard-setting is taking.

I do hope both the IASB and FASB are listening to users concerns about the move away from reporting being based on a parent entity perspective.

## What other issues do you feel should be raised?

I am concerned that ‘fresh start’ has been moved down the agenda. Fresh start, which results in both the combining entities being revalued to fair value rather than just the acquiree, is a neat answer to a lot of problems – such as joint venture accounting and those acquisitions where it is difficult to decide who the acquirer is, often involving more than two parties. It is clearly unfinished business.



## PwC 'leads' in IFRS pharma initiatives

The next PwC IFRS Pharmaceutical Forum takes place this month. PwC's Global Pharmaceutical Leader, Simon Friend, talks to *IFRS News* about the event and the firm's other pharma IFRS initiatives.

This is the fifth IFRS Pharmaceutical Forum to take place. We ran the first in June 2003 and now hold two or three a year. Attendees of these roundtable sessions comprise controllers and directors of financial reporting from Astra Zeneca, GSK, Novartis and Roche. PwC representatives from engagement teams also attend. We are around 20 individuals in total, and we discuss hot IFRS topics.

The objective is to debate solutions for the pharmaceutical industry and take on board the preparers' views. There are different degrees of consensus and disagreement. In this month's meeting we will debate the IASB's recent EDs, which these companies will be commenting on in their formal response letters.

Some clients have field-tested the standards in the past. We encourage companies to do this because it clarifies the practical implications. Some of the current hot topics are R&D, business combinations, contingencies, revenue recognition and convergence with US GAAP. These roundtable discussions help us to develop solution sets for pharmaceutical companies. In October we are releasing our second volume of *IFRS – Issues and Solutions for the Pharmaceutical Industry*. These solutions are also being incorporated in *Applying*

*IFRS*, PwC's authoritative guidance on the interpretation and application of IFRS, based on the components of the financial statements.

PwC is leading the IFRS debate in the pharma sector. Client feedback is very positive and supports the fact that we are ahead of the game in this area.

We have also been holding breakfast briefings in the UK and in other territories, attended by representatives from many pharmaceutical companies, both clients and non-clients. These

**'We encourage companies to field-test the standards because this clarifies the practical implications'**

meetings highlight the issues that need to be considered, including many of the topics addressed at the roundtable meetings.

We have also produced two surveys *Pharmaceutical Industry Survey of 2005 Accounting under IFRS* and *Revenue Recognition Disclosures in the Pharmaceutical Industry* based on publicly available information but which consider the different ways big

pharmaceutical companies are dealing with the new standards. *Revenue Recognition Disclosures in the Pharmaceutical Industry* serves as a benchmarking tool. The first section of this document accumulates the Critical Accounting Policies disclosed in Annual Reports of selected companies (generally their Management Discussion & Analysis section) and is followed by a section displaying the revenue policies of the same companies as disclosed in the notes to the financial statements. This is very much a hot topic for the industry and the regulators, and this document provides a useful benchmarking tool. We plan to update it in 2006 following the 2005 reporting season.

*Volume Two of IFRS – Issues and solutions for the Pharmaceutical Industry will be available in October in PDF and hard copy and on CD Rom. To order/download copies, visit [www.pwc.com/pharma](http://www.pwc.com/pharma) or speak to your PwC contact.*

*Copies of Pharmaceutical Industry Survey of 2005 Accounting under IFRS and Revenue Recognition Disclosures in the Pharmaceutical Industry are also available (in PDF format only) on the global website: [www.pwc.com](http://www.pwc.com) or speak to your PwC contact.*

## Your questions answered at 'IFRS 2005 – toutes entreprises'

Regulatory, technical, operational and strategic issues are addressed at PricewaterhouseCoopers' annual IFRS conference in Paris this month.

The event, organised in partnership with *Les Echos*, will feature video interviews with leading figures in the IFRS arena (including Sir David Tweedie and Charlie McCreedy), the sharing of experiences by institutions, financial

analysts, auditors and consultants, as well as 300 questions and answers on IFRS issues. There will also be a session on the application of IFRS for US-listed entities.

To join other CEOs, CFOs, financial controllers, finance directors and others involved in the preparation of IFRS financial statements at this event on 21 October, contact [strubert@lesechos.fr](mailto:strubert@lesechos.fr) or visit <http://conferences.lesechos.fr>



## Consistency in a principles-based world

John Tiner, chief executive of UK regulator the Financial Services Authority, calls on auditors and preparers to take responsibility for the consistent application of IFRS.

Consistency in the application of IFRS is the crucial component in the effective implementation of the integrated capital market in Europe that politicians have set on course.

This year, being the first year of implementation, is a test of interpretation and consistency. There is a huge obligation on the issuers and the auditors to try and create consistency of interpretation within reasonable boundaries. I think principles-based IFRS will always allow for some flexibility in interpretation – that is the very nature of a principle-based system – and we as regulators and policymakers should accept and understand that.

Where I am concerned is if the real boundaries of interpretation are being tested, pushed and breached, the whole question of the credibility of having a single set of standards for Europe will be called into question. I think there would be a real question mark over whether the realisation of a lower cost of capital and

a more diverse investor base would really come about.

How are the major audit firms going to ensure consistency? It won't be possible for every accounting issue that emerges to be subject to interpretation by the

### 'The first line of responsibility in ensuring consistent application should be with companies and their auditors'

IASB's interpretations committee. The first line of responsibility should be with the companies and their auditors to work together in ensuring consistent application.

The auditors have the oversight role across all their clients in all of the 25 member states, and I would hope very much that the audit firms will put in place some sort of mechanism within

their own firms to establish where the boundaries have been tested to see where major inconsistencies may be emerging and try to identify those before it is too late. I do not expect absolute consistency and similarity, but we must be careful about pushing the boundary of interpretation so it doesn't discredit IFRS.

There is an important point in the terms of the US here too. The US has recently announced that they will look at the road map to see what time frame and what conditions may need to apply for IFRS to be accepted in the US market. I expect the US authorities will be looking very closely to see whether the project in Europe to implement IFRS is one that they can rely upon. I think they will be looking to see whether consistency and interpretation is robustly applied. So, I think this is a big win for Europe, not only in the context of Europe in integrated capital market but also opening up the market for European companies into the US.

### Ian Wright, leader of PwC's Global Corporate Reporting Group, responds:

John rightly points out that we as PwC have a major role to play in achieving an acceptable level of consistency in the application of IFRS. However, we alone or with the major firms do not share that responsibility in isolation.

Robust application of the standards is of course the primary responsibility of the companies themselves; and in some industries, the leading companies have willingly shouldered the burden of working together to ensure that there is a minimal level of divergence.

Unfortunately, some industries have not started these efforts or are not as far along as is necessary. Within PwC we

have client-facing teams and industry groups to help us to provide consistent advice on an industry basis. Regulators in different countries need to recognise that they must work closely together, as it is their views on application that have the greatest potential to undermine the credibility of IFRS and its potential contribution to the efficiency of the capital market. Nothing could be worse than having to reconcile from IFRS as enforced by a regulator in one country to IFRS as enforced by a regulator in another.

The scale of this burden on regulators should not be underestimated. In the 25

countries in Europe, we are confronting more than 150 regulators, each with some IFRS compliance oversight when you take into account securities, banking, insurance, investment funds and audit inspection.

Within PwC, we have had to develop new processes and protocols to support the delivery of consistent advice on the application of IFRS. We have also seen some moves to create a mechanism within CESR and the SEC to identify enforcement cases and achieve a level of consistency. However, from the outside it looks as if there is much more to be done to deliver on consistent regulatory application by the enforcement agencies.

# IASB project timetable

Project	ED published/ expected	Comment deadline expected	Standard published/ expected
<b>Business combinations and related issues (FASB and IASB joint project)</b>			
– IFRS 3, Phase 2: application of purchase method	12 July 2005	28 October 2005	Q3 or Q4, 2006
– Minority interests: amendment to IAS 27	12 July 2005	28 October 2005	Q3 or Q4, 2006
<b>Convergence</b>			
– IAS 37	12 July 2005	28 October 2005	Q3 or Q4, 2006
– IAS 12	Q4, 2005	Undecided	Undecided
– Amendment to IAS 20	Q4, 2005	Some time in 2006	Some time in 2006
– Disclosures about segments (replacement of IAS 14)	Q4, 2005	Undecided	Undecided
<b>IAS 32</b>			
– Financial Instruments: Disclosures (IFRS 7)	22 July 2004	22 October 2004	18 August 2005
– Financial instruments disclosures: shares puttable at fair value	Q4, 2005	Undecided	Q3 or Q4, 2006
<b>IAS 39</b>			
– Fair value option	21 April 2004	21 July 2004	16 June 2005
– Financial guarantee contracts and credit insurance	8 July 2004	8 October 2004	18 August 2005
– Interest margin hedging	To be decided	To be decided	To be decided
<b>IFRS 2 amendments – vesting conditions and cancellations</b>			
Consolidation (including SPEs)	Q4, 2005	To be decided	To be decided
Reporting comprehensive income	Q3 or Q4, 2006	Undecided	Undecided
– Segment A	Q4, 2005		
– Segment B	Discussion paper due Q3 or Q4 2006		
<b>Revenue and related liabilities (FASB and IASB joint project)</b>			
Liabilities and equity	Discussion paper due Q3 or Q4 2006		
Emission rights	Q1 or Q2, 2006		
<b>Standards for Non-Publicly Accountable Entities (formerly: SMEs)</b>			
IFRS 4 – phase 2	Q1 or Q2, 2006		
Leases – joint project with UK ASB	Some time in 2006	Undecided	Undecided
	Active project	Undecided	Undecided

Note: these dates are provisional only and subject to change

# IFRIC project timetable

Project	ED published	Comment deadline	Final interpretation published/due
D5, Applying IAS 29, Financial Reporting in Hyperinflationary Economies for the First Time	11 March 2004	14 May 2004	Awaiting publication
D9, Employee Benefit Plans with Promised Return on Contributions or Promised Contributions	8 July 2004	21 September 2004	Undecided
D10, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	25 November 2004	11 February 2005	1 September 2006
D11, Changes in Contributions to Employee Share Purchase Plans	16 December 2004	1 March 2005	Closed June 2005. Issues covered in IFRS 2 amendment
D12, Service Concession Arrangements – Determining the Accounting Model	3 March 2005	31 May 2005	Undecided
D13, Service Concession Arrangements – the Financial Asset Mode	3 March 2005	31 May 2005	Undecided
D14, Service Concession Arrangements – the Intangible Asset Model	3 March 2005	31 May 2005	Undecided
D15, Reassessment of Embedded Derivatives	1 April 2005	31 May 2005	Undecided
D16, Scope of IFRS 2	May 2005	18 July 2005	Undecided
D17, IFRS 2 – Group and Treasury Share Transactions	May 2005	18 July 2005	Undecided

Note: these dates are provisional only and subject to change

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### Liabilities, Revenue Recognition, Provisions, Pensions, Deferred Tax, Share-based Payment

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