Message

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Sent: 2017-07-27 4:47:45 PM
To: Susan Nicholson [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f668e601bd2b4865a5c31dca531047c8-Susan Nicho]
Subject: FAAS Thought Leadership - July 2017

Courtesy of EY's Financial Accounting Advisory Services (FAAS), we are pleased to provide you with our monthly FAAS newsletter.

July 2017

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Did you know ?

Are you in the middle of a system and your internal resources are depleted?

Click here to see how EY FAAS can help you !

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Upcoming webcasts

No relevant financial accounting webcast has been planned yet for August 2017.

Click here to see if other webcasts may interest you.

Quick links

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Publications in brief

IFRS

EY Publications

IFRS Developments Issue 128: Revenue earned before an asset is ready for its intended use
The IASB has issued proposed amendments to IAS 16 *Property, Plant and Equipment* to prohibit revenue generated before an asset is available for its intended use from being deducted from the cost of the related property, plant and equipment. Instead, it will need to be recognized in profit or loss. This issue of IFRS Developments tells you what you need to know about the proposed amendments. The closing date for comments is 19 October 2017.

***Applying IFRS*: Presentation and disclosure requirements of IFRS 15**
This publication summarizes the presentation and disclosure requirements of IFRS 15 *Revenue from Contracts with Customers*, both at transition and on an ongoing basis. It illustrates possible formats for disclosing information required by IFRS 15 using examples from early-adopters.

The presentation and disclosure requirements in IFRS 15 will affect all entities, even those that feel there will be little change to the timing and amount of revenue they will recognize under it. This aspect of IFRS 15 may present a significant challenge on transition and on an ongoing basis.

***Applying IFRS*: Leases standard for consumer products and retail**
IFRS 16 *Leases* requires lessees to recognize assets and liabilities for most leases. This could have implications for consumer product entities and retailers' finances and operations and may require new processes and controls or adjustments to existing systems to identify and account for leases. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. This publication summarizes the changes to accounting practices.

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IASB and AcSB developments and clarifications

***IASB Update*: June 2017**
The June 2017 issue of the IASB Update contains the IASB staff summary of the meeting held on 21 and 22 June when the board discussed:

- Conceptual Framework
- Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)
- Primary Financial Statements
- Rate-regulated Activities
- IFRS Implementation Issues
- Prepayment Features with Negative Compensation (Proposed amendments to IFRS 9)
- Dynamic Risk Management (Education Session)
- Definition of a Business

***IFRIC Update*: June 2017**

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At its June 2017 meeting, the IFRS Interpretations Committee discussed:

Items on the current agenda

- IFRS 9 *Financial Instruments* - Modification or exchange of financial liabilities that do not result in derecognition
- IAS 23 *Borrowing costs* - Borrowing costs on completed qualifying assets

Tentative agenda decisions

- IFRS 3 *Business Combinations* - Acquisition of a group of assets that does not constitute a business
- IAS 28 *Investments in Associates and Joint Ventures* - Acquisition of an associate or joint venture from an entity under common control
- IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* - Costs considered in assessing whether a contract is onerous
- IAS 38 *Intangible Assets* - Goods acquired for promotional activities

Agenda decisions

- IAS 19 *Employee Benefits* - Discount rate in a country that has adopted another country's currency
- IAS 32 *Financial Instruments*: Presentation - Centrally cleared client derivatives
- IAS 33 *Earnings per Share* - Tax arising from payments on participating equity instruments
- IAS 41 *Agriculture* - Biological assets growing on bearer plants

The IFRIC Update summarizes what you need to know about these and other issues discussed at the IFRS Interpretations Committee's June 2017 meeting.

AcSB Decision Summary: June 2017
This document is an executive summary of discussions and decisions with respect to the IFRS and ASPE topics addressed at the meeting held on 22 June 2017:

- Insurance Contracts Implementation Group
- Post-implementation review of IFRS 13 *Fair Value Measurement*
- Section 3465, *Income Taxes*
- Agriculture
- Financial Instruments – Narrow-scope Amendments
- Redeemable Preferred Shares

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Public Sector

PSAB Decision Summary: June 2017
This document summarises the discussions held on 22-23 June 2017 relating to: Employee Benefits, Financial Instruments and Public Private Partnerships.

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Governance, Regulations and Other

Canadian securities administrators propose a new prospectus exemption for the resale of securities of a foreign issuer
The Canadian Securities Administrators (CSA) published for comment proposed amendments to National Instrument 45-102 Resale of Securities (NI 45-102) that

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would introduce a new prospectus exemption for the resale of securities of a foreign issuer.

If adopted, the proposed exemption would allow Canadian investors to resell, outside of Canada, securities of a foreign issuer acquired under a prospectus exemption where the issuer is not a reporting issuer in any jurisdiction of Canada. The proposed amendments suggest a different approach for determining minimal connection to Canada by introducing a definition of foreign issuer to replace the current 10 per cent Canadian ownership test.

Canadian securities regulators publish IIROC oversight review report
The Canadian Securities Administrators (CSA) released the Oversight Review Report of the Investment Industry Regulatory Organization of Canada (IIROC), which evaluates whether specific regulatory processes are operating effectively and outlines findings that require corrective action.

Based on the annual assessment of IIROC's functional areas and key processes, the Recognizing Regulators selected above-average risk areas as the focus for the review, including Business Conduct Compliance, Enforcement, Information Technology, Market Surveillance, and Trade Review & Analysis. The Recognizing Regulators considered the previous oversight review and whether findings identified in that review had been resolved, as well as current issues and market conditions that could affect IIROC.

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