

Meeting: IAASB  
Meeting Location: Malta  
Meeting Date: September 20-24, 2010

## Agenda Item 5

### Special Considerations in Auditing Complex Financial Instruments— Proposed International Auditing Practice Statement (IAPS) 1000

#### Objective of Agenda Item

1. To consider remaining issues and approve proposed IAPS 1000, *Special Considerations in Auditing Complex Financial Instruments* (renumbered from IAPS 1012), for exposure.

#### Task Force

2. Members:
  - John Fogarty, Chair
  - Jon Grant, IAASB Member and Member of UK Auditing Practices Board (APB) Working Party on Complex Financial Instruments
  - Tomokazu Sekiguchi, IAASB Member
  - Gregory Fletcher, US Public Company Accounting Oversight Board
  - John Hughes, KPMG and Chair of UK APB Working Party on Complex Financial Instruments
  - Marc Pickeur, IAASB CAG Representative for the Basel Committee on Banking Supervision

#### Background and Activities since Last IAASB Discussions

3. The Task Force held a physical meeting in August 2010 to discuss comments raised at the June 2010 meeting and revisions to the draft proposed IAPS 1000.
4. In addition, two meetings were held with expert groups to review a revised draft of the IAPS:
  - (i) In London with a Working Party of the UK Auditing Practices Board, which had developed Practice Note (PN) 23 (Revised), *Auditing Complex Financial Statements*, which was included in the IAASB's October 2009 Consultation Paper (CP) and used as the starting point for revised IAPS 1000; and

- (ii) In New York with a group of US experts that had been identified by the Transnational Auditors Committee (TAC) members of the IAASB.

**Material Presented**

- Agenda Item 5-A      Special Considerations in Auditing Complex Financial Instruments—  
Issues and IAASB Task Force Proposals dated September 2010
- Agenda Item 5-B      Draft IAPS 1000, *Special Considerations in Auditing Complex Financial  
Instruments*, dated September 2010

**Action Requested**

5. The IAASB is asked to:
- Consider the issues and Task Force proposals presented in **Agenda Item 5-A**, and the revised draft of the proposed IAPS 1000 presented in **Agenda Item 5-B**; and
  - Approve the proposed IAPS 1000 for exposure.