

IAASBTM

IAASB–IASB Liaison Working Group Update

Tomo Sekiguchi, Chair Working Group

IAASB Meeting

New York, USA

December 11, 2013

Background

- 2009: Initiative started
- Monitor relevant IASB projects to help ensure relevant auditing considerations are part of the development of IFRSs
- 2009–2011: 7 separate working groups dealt with IASB's projects that could have significant verifiability or auditability issues
- 2011: Established a standing Working Group (WG)

Objective of the Liaison Initiative

- The objectives of the WG are:
 - Provide written comments to IASB regarding potential verifiability or auditability issues arising from their proposals
 - Share information within WG regarding recent financial reporting developments that may impact the remit of the WG
 - Assess the auditing implications arising from newly issued IASB pronouncements

Members

- The WG comprises:
 - Tomo Sekiguchi, IAASB Member and Chair of WG
 - Dan Montgomery, IAASB Deputy Chair and co-Chair of WG
 - Jean Blascos, IAASB Member
 - Marc Pickeur, IAASB Member
 - Hiram Hasty, IAASB Technical Advisor
 - Greg Shields, IAASB Technical Advisor

Liaison Activities with the IASB

- Communications with IASB through:
 - Comment and other letters
 - Joint outreach (Former Soviet Republics – November 2011 and May 2013)
 - Attending each other's meetings (PK and Michael Stewart)
 - IASB CAG Representative / Attending IFRS Advisory Council
- Leadership meetings
 - Next meeting January 2014

WG Comment Letters in 2013

- 4 letters to IASB to comment on Exposure Drafts:
 - Classification and Measurement: Limited Amendments to IFRS 9
 - Financial Instruments: Expected Credit Losses
 - Leases
 - Insurance contracts

Key Themes in Comment Letters

- Clarity about key principles or critical terms to enable consistent application
- Expanded guidance needed in areas in which significant professional judgments are expected to be made
- Emphasize management's responsibility for documentation
- Materiality

Other Liaison with IASB

- IASB representatives at Auditor Reporting Task Force Meeting
- Update by IASB Staff to Disclosures Task Force
- Participation by IAASB Members and Staff in IASB's Materiality Initiative

IASB Materiality Initiative

- IASB / IAASB / IOSCO
- Currently scoping the project
 - Objectives and potential topics to be covered
- Working Group call early January 2014
- Expected to present proposals to IASB for initial discussion in Q1 2014

Ongoing Work and Monitoring

- Revisions to IASB's Conceptual Framework
 - Qualitative characteristics (reliability / verifiability)
 - Scope of notes to financial statements
 - Communication principles
- Disclosures Initiative (Disclosures Task Force)
- Post Implementation Review of business combination related standards



QUESTIONS?



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