

# IV

## CONGRESSO DOS TOC uma nova atitude

14 e 15 de setembro



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# EFRAG role and responsibilities

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# What is EFRAG?

- An independent private organisation created 11 years ago as the first regional group
- Serving the European public interest
- Built on strong partnership with European NSS
- Acknowledged as independent technical advisor to the European Commission
- Exercising European influence in the development of IFRS
- Funded 50% privately, 50% by the EC

# EFRAG's objectives

- To ensure that Europe exercises strong influence on the development of IFRS
- To ensure that IFRS as published by the IASB meet the requirements of the European 2002 "IAS Regulation"
- To ensure that IFRS as published by the IASB are assessed as reasonable in Europe
- To avoid political interferences

# Why is EFRAG important for Europe?

- Ensures the voice of Europe in the global financial reporting debate
- Ensures that European circumstances are considered by the IASB
- Helps to ensure that the final IFRS are acceptable for Europe
- Helps to ensure that all European interests are taken into account
- EFRAG performs proactive activities from a European

# EFRAG serving European stakeholders

- Draft comment letters on all IFRS related issues
- Outreach activities: public hearings
- Field tests, effect studies
- Regular public EFRAG-IASB meetings, summaries on [www.efrag.org](http://www.efrag.org)
- Discussion papers on up-stream projects
- Feedback statements

- Membership EFRAG Consultative Forum of Standard Setters
- Support for proactive work:
  - EFRAG/ASB Discussion Paper: Improving the Financial Reporting of Income Tax
  - EFRAG/ASB Position Paper: Considering the Effects of Accounting Standards
  - EFRAG/FRC/ANC Discussion Paper: Towards a Disclosure Framework for the Notes
  - EFRAG/OIC Discussion Paper: Accounting for Business Combinations under Common Control
- Contributing to field tests and outreach events

# Work in progress on IASB work

- Investment entities ( Amendment to IFRS 10 Q4 2012 )
- IFRS 9 (impairment, general hedge accounting, macro hedging):  
endorsement not expected until all phases are completed
- Lease accounting ( re-exposure ED Q4 2012 )
- Revenue ( IFRS in 2013 )
- Insurance (Review Draft/ED? Q4 2012 )

# In the endorsement process...

- EFRAG assesses the IFRS as published by the IASB:
  - Against the endorsement criteria in the IFRS Regulation
- The European IFRS Regulation provides for minimum hurdle possible:
  - True and fair view principle met
  - Amendments are **not contrary** to the European public good

# Endorsement of consolidation package

- In March 2012, EFRAG issued its endorsement advice on the adoption of IFRS 10, IFRS 11, IFRS 12, IAS 27 ( amended 2011 ) and IAS 28 ( amended 2011 )
- Field-tests provided evidence that some financial institutions would need more time to implement IFRS 10, IFRS 11 and IFRS 12
- Positive recommendation on endorsement, but EFRAG did not support the mandatory effective date of 1 January 2013

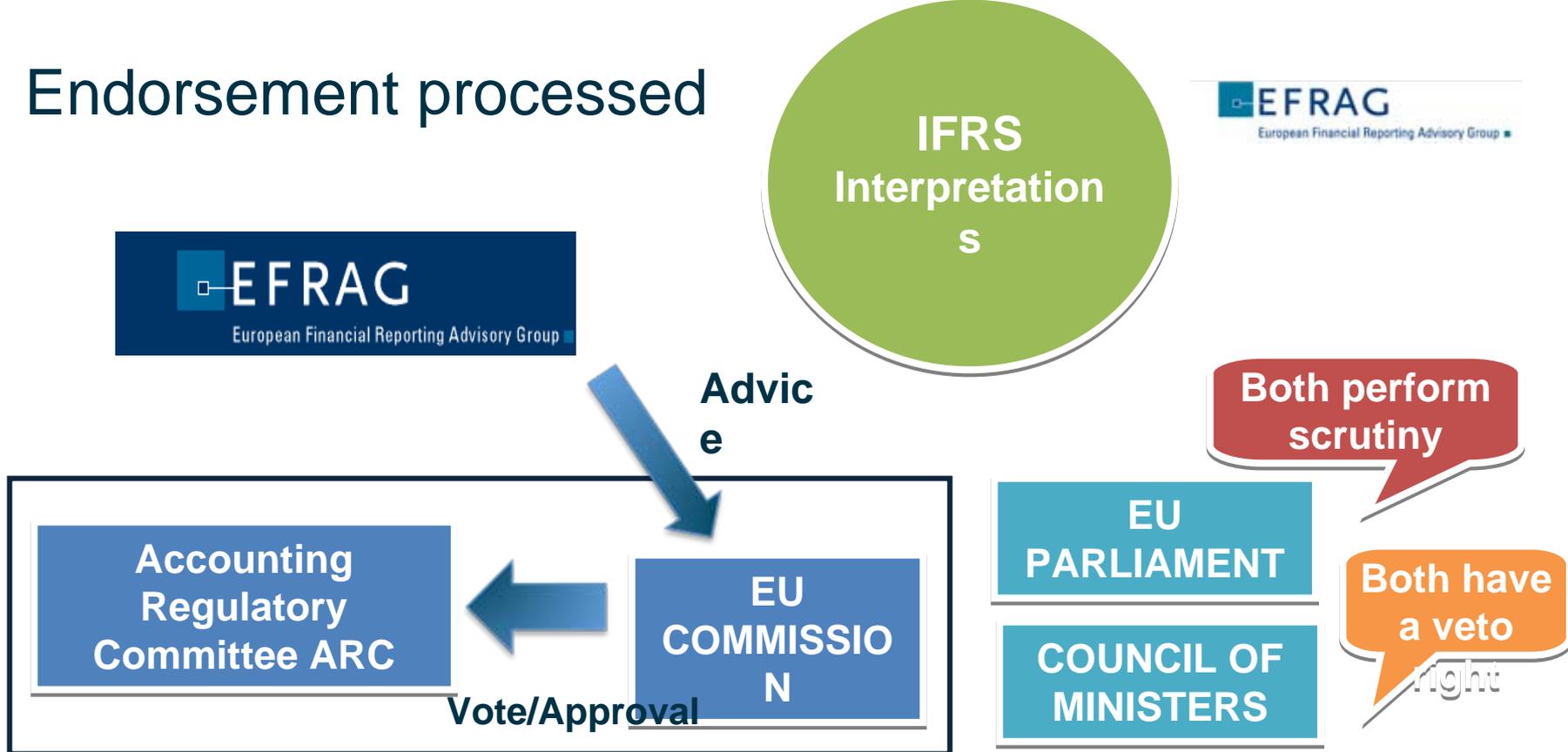
# Endorsement of consolidation package

- In April 2012, EFRAG conducted a supplementary study intended to illustrate likely impact of IFRS 10 on scope of consolidation for Special Purpose Entities (SPEs)
  - Deconsolidation of SPEs in situations where an entity will not have power (ability to control) an SPE
  - Increase in consolidation due to entity exercising power of SPE – for example control over SPE fund even though entity exposed to less than 50% of risks and rewards of fund
  - Developing a single basis for consolidation and guidance for applying that basis helps address divergence in practice
  - IFRS 10 should be assessed together with IFRS 12 which requires significantly more disclosure in relation to off-balance sheet risk exposures about interests in unconsolidated SPEs

# Endorsement of consolidation package

- In June 2012, ARC voted in favour of adoption with a mandatory date of 1 January 2014 with early application permitted

# Endorsement processed



## The EU endorsement status report

Position as at 30 August 2012

### IASB/IFRIC documents not yet endorsed

*[Revisions to this schedule are marked in bold]*

	EFRAG draft endorsement advice	EFRAG endorsement advice	ARC vote	When might endorsement be expected	IASB Effective Date	Expected to be endorsed before the effective date?
<b>STANDARDS</b>						
IFRS 9 Financial Instruments ( <i>Issued 12 November 2009</i> ) and subsequent amendments ( <i>amendments to IFRS 9 and IFRS 7 issued 16 December 2011</i> )	✓ 2/11/2009	✗ Postponed	✗ Postponed	✗ Postponed	1/1/2015	
IFRS 10 Consolidated Financial Statements ( <i>Issued 12 May 2011</i> )	✓ 9/2/2012	✓ 30/3/2012	✓ 1/6/2012	✗ Q4 2012	* 1/1/2013	▲
IFRS 11 Joint Arrangements ( <i>Issued 12 May 2011</i> )	✓ 9/2/2012	✓ 30/3/2012	✓ 1/6/2012	✗ Q4 2012	* 1/1/2013	▲
IFRS 12 Disclosures of Interests in Other Entities ( <i>Issued 12 May 2011</i> )	✓ 9/2/2012	✓ 30/3/2012	✓ 1/6/2012	✗ Q4 2012	* 1/1/2013	▲
IFRS 13 Fair Value Measurement ( <i>Issued 12 May 2011</i> )	✓ 18/11/2011	✓ 20/1/2012	✓ 1/6/2012	✗ Q4 2012	1/1/2013	▲
IAS 27 Separate Financial Statements ( <i>Issued 12 May 2011</i> )	✓ 9/2/2012	✓ 30/3/2012	✓ 1/6/2012	✗ Q4 2012	* 1/1/2013	▲
IAS 28 Investments in Associates and Joint Ventures ( <i>Issued 12 May 2011</i> )	✓ 9/2/2012	✓ 30/3/2012	✓ 1/6/2012	✗ Q4 2012	* 1/1/2013	▲
<b>AMENDMENTS</b>						
Deferred tax: Recovery of Underlying Assets ( <i>Amendments to IAS 12</i> ) ( <i>Issued 20 December 2010</i> )	✓ 18/11/2011	✓ 19/1/2012	✓ 1/6/2012	✗ Q4 2012	1/1/2012	▼
Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters ( <i>Amendments to IFRS 1</i> ) ( <i>Issued 20 December 2010</i> )	✓ 8/12/2011	✓ 19/1/2012	✓ 1/6/2012	✗ Q4 2012	1/7/2011	▼
Disclosures—Offsetting Financial Assets and Financial Liabilities ( <i>Amendments to IFRS 7</i> ) ( <i>Issued 16 December 2011</i> )	✓ 26/1/2012	✓ 6/4/2012	✓ 1/6/2012	✗ Q4 2012	1/1/2013	▲
Offsetting Financial Assets and Financial Liabilities ( <i>Amendments to IAS 32</i> ) ( <i>Issued 16 December 2011</i> )	✓ 26/1/2012	✓ 6/4/2012	✓ 1/6/2012	✗ Q4 2012	1/1/2014	▲
Government Loans ( <i>Amendments to IFRS 1</i> ) ( <i>Issued 13 March 2012</i> )	✓ 6/4/2012	✓ 6/6/2012	✗ Q4 2012	✗ Q1 2013	1/1/2013	▼
Improvements to IFRSs (2009–2011) ( <i>issued on 17 May 2012</i> )	✓ 25/6/2012	✓ 29/8/2012	✗ Q4 2012	✗ Q1 2013	1/1/2013	▼
Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) ( <i>issued 28 June 2012</i> )	✓ 17/07/2012	✓ 29/8/2012	✗ Q4 2012	✗ Q1 2013	1/1/2013	▼
<b>INTERPRETATIONS</b>						
IFRIC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine ( <i>Issued 19 October 2011</i> )	✓ 9/11/2011	✓ 20/1/2012	✓ 1/6/2012	✗ Q4 2012	1/1/2013	▲

The information shown is our current best estimate of the latest date for publication or endorsement, assuming endorsement is to occur. This information is provided to be helpful, but it is only an estimate.

\* On 1 June 2012, ARC voted on a regulation that requires IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28 to be applied, at the latest, as from the commencement date of a company's first financial year starting on or after 1 January 2014 (i.e. early adoption would be permitted once the standards have been endorsed).



# Thank you for your attention!

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