

# Beyond the GAAP

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Mazars' newsletter on accounting standards



## Summary

### Highlights

IFRS Highlights	Page 2
Europe Highlights	page 3
Crossword	page 4

Events and FAQ	page 5
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## Editorial

“You have been living in a bit of a building site for much of the last decade. However, the good news is that the majority of the structural work is now complete. The heating and plumbing systems are now in good shape.” With these words Hans Hoogervorst described his impression of the progress made in recent years at the start of the IFRS Foundation Conference in Zurich.

On the eve of his second term of office as chairman of the IASB, he outlined what will be the central theme of the next five years: the development of IFRSs to provide ‘Better Communication’.

The Disclosure Initiative and the materiality Practice Statement are crucial to this objective. There will be further work on the format of financial statements and performance measurement, and on definitions for the most common aggregates, such as operating income or EBIT.

There will also be a consideration of electronic reporting needs, and the IASB will take a look at the role it should play in non-financial reporting.

While the coming years are unlikely to be marked by projects on the scale of those which have now been completed, they should see more subtle changes to the standards, whose importance should not be understated.

Enjoy your reading!

Michel Barbet-Massin

Edouard Fossat



# European Highlights

## A French president for EFRAG

Mr Jean-Paul Gauzès, a former member of the European Parliament, has been named Chairman of EFRAG by the European Commission, following consultations with the European Parliament and Council.

Appointed for a three-year term, Mr Gauzès is the first Chairman of EFRAG in its new form (see our study on EFRAG's new governance in Beyond the GAAP no 85 of January 2015).

## IFRS 9: the first step towards endorsement!

On 27 June 2016, the Accounting Regulatory Committee voted in favour of endorsement in Europe of IFRS 9, the new standard on financial instruments.

According to the EFRAG status report (updated at 27 June 2016), the European Commission should endorse this standard during Q4 2016:

<http://www.efrag.org/Assets/Download?assetUrl=%2Fsites%2Fwebpublishing%2FsiteAssets%2FEFRAG%2520Endorsement%2520Status%2520Report%252027%2520June%25202016.pdf>

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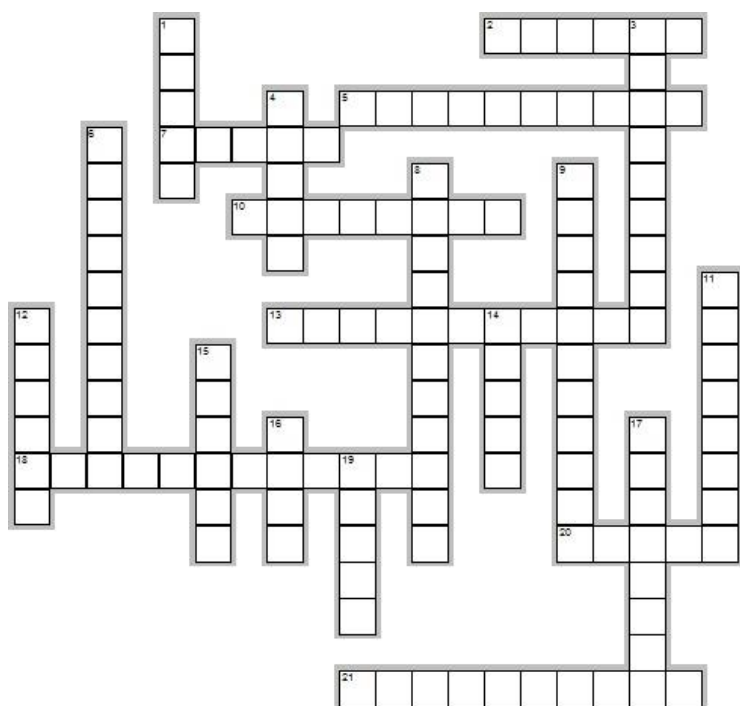
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# Crossword: Do you know your IFRS?



## Across :

2. City where the IASB headquarters are located
5. The Framework defines the pervasive ones for IFRS
7. Standard on financial instruments effective as of 1 January 2018

10. Principle according to which recognition criteria for assets and liabilities are generally asymmetrical
13. Process by which an IFRS becomes applicable in Europe
18. Characteristic of the IASB's public process which invites expression by its stakeholders
20. Number of non-mandatory IFRS for non-listed entities applying IFRS
21. Meaning of the "A" in "IASB"

## Down :

1. Acronym for IFRS interpretations
3. Trustees' role as related to the IASB
4. IFRS generic term for investors
6. First paper issued by the IASB in its standard-setting process
8. Priorities published by ESMA at year-end
9. Family name of IASB Chairman
11. First name of IASB French board member
12. Nationality of the Chair of the Trustees of the IFRS Foundation
14. European organisation which advises the European Commission on accounting
15. IASB and IFRIC deliberations are held in this way
16. Acronym of the US equivalent of the IASB
17. Minimum number of IASB members per the current Constitution of the IFRS Foundation
19. IFRS on earnings per share

# Events and FAQ

## Frequently asked questions

### IFRS

- Impact of change in operating segments on goodwill impairment testing
- Treatment of a contract assigning trade receivables;
- Accounting treatment of an IFRS 2 plan with delivery of preferred shares convertible into ordinary shares.
- Consequences of a probable transfer of shares in a subsidiary for the valuation of deferred taxes in the parent's consolidated financial statements.
- Classification of a hedging operation relative to a branch of the parent entity
- Recognition of preferred shares with preferred dividends.

## Upcoming meetings of the IASB, IFRS Interpretations Committee and EFRAG

IFRS		EFRAG	
IASB	Committee	Board	TEG
18-22 July	6-7 September	19 July	25-27 July
19-23 September	8-9 November	7-8 September	14-16 September
17-21 October		6 October	26-28 October

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