STAFF PAPER

15 October – 19 October 2012

IASB Meeting

Project	**Insurance Contracts**
Paper topic	Transition—Effective date, comparative financial statements and early application

CONTACT(S) Andrea Silva asilva@ifrs.org +44 (0) 20 7246 6961

Introduction

1. This paper:

   (a) provides background information relevant to the consideration of effective date, comparative information and early application (paragraphs 5-17); and

   (b) presents a staff analysis and recommendation on the following topics:

      (i) the minimum period required between finalisation of standard and mandatory effective date (paragraphs 18-25)

      (ii) the interaction with the effective date for IFRS 9 (paragraphs 26-30)

      (iii) the interaction with the relief from providing comparative information in IFRS 9 (paragraphs 31-40)

      (iv) early application (paragraphs 41-44)

      (v) whether there should be relief from providing comparative information for entities that apply the standard early (paragraphs 45-49).

2. This paper does not discuss the following topics related to transition:

   (a) redesignation and reclassification of financial assets (AP10C);

   (b) redesignation of assets in the scope of IAS 16 or IAS 40 (AP10D);

(c) implications of an unlocked model for determining the residual margin (AP10D);

(d) requirements for first-time adopters of IFRS (AP10D); or

(e) any transition requirements that may be needed relating to the presentation of premiums in the statement of comprehensive income. This topic will be discussed at a future meeting subject to the IASB's decision on presentation of premiums in the statement of comprehensive income.

3. Proposed drafting for the recommendations in this paper are set out in agenda paper 10B *Transition—Overview and proposed drafting*.

Staff recommendations

4. The staff recommend that the IASB:

   (a) set a mandatory effective date that is three years after the date of issuance of the final standard;

   (b) require entities that apply the final standard at the mandatory effective date to restate comparative financial statements;

   (c) permit entities to apply the final standard before the mandatory effective date; and

   (d) permit entities that apply the final standard before the mandatory effective date not to restate comparative financial statements.

Background and previous decisions relevant to the consideration of effective date, comparative information and early application

Proposals in the exposure draft

5. The ED's Basis for Conclusions indicated that the IASB would consider the following at a later date:

   (a) the mandatory effective date for the IFRSs that were targeted to be issued in 2011, including insurance contracts;

(b) delaying the mandatory effective date of IFRS 9 *Financial Instruments* if the new IFRS on insurance contracts were to have a mandatory effective date later than 2013[1]; and

(c) whether to permit early application of the IFRSs that were targeted to be issued in 2011, including insurance contracts.

6. The ED also asked respondents:

(d) to estimate how long insurers would require to adopt the proposals; and

(e) if it would be necessary to align the mandatory effective date of the IFRS on insurance contracts with that of IFRS 9.

Responses to proposals in the exposure draft

7. The suggestions for respondents for the time needed to implement the standard and educate stakeholders included:

(a) two to three years. Of these respondents some indicated that less time would be necessary for jurisdictions that already apply a measurement model with updated estimates and assumptions. The staff note that almost all Asia-Oceanian and European insurance companies and representative bodies and about two-thirds of North American insurance companies and representative bodies find an implementation period of two to three years to be feasible.

(b) greater than three years. Some of these respondents noted that some jurisdictions would be implementing IFRS for the first time before finalisation of the insurance contracts standard. These respondents requested additional time before the IASB causes them to adjust their systems and processes again. The staff note that about one-third of North American insurance companies and representative bodies believe that an implementation period in excess of three years would be required.

8. A detailed breakdown is provided in appendix A.

[1] IFRS 9 was amended in December 2011 and consequently will be effective for annual periods beginning on or after 1 January 2015.

9. Some respondents commented specifically on the interaction between the implementation of the new insurance contracts standard and IFRS 9:

   (a) some respondents indicated that alignment between the mandatory effective date of the insurance contracts standard and that of IFRS 9 could ease the transition burden. These respondents noted the difficulty of implementing two rounds of major changes in a short period.

   (b) other respondents stated that alignment between the mandatory effective date of the insurance contracts standard and that of IFRS 9 would not be preferable. These respondents emphasised the importance of having sufficient time to implement the insurance contracts proposals.

   (c) some respondents suggested that the insurance standard should grant an entity the same relief from providing comparative financial statements that exists in IFRS 9. IFRS 9 requires or permits an entity to provide modified transition disclosures in lieu of restated financial statements depending on the period in which an entity adopts the standard's classification and measurement requirements[2].

10. A small number of respondents also commented on early application. These respondents generally supported early application, although one respondent noted that useful information would only be provided if an entity were to apply both IFRS 9 and the final insurance standard early.

Request for views: Effective date and transition

11. In October 2010, the IASB (in conjunction with the FASB) published a request for views, seeking input on when the new financial reporting standards resulting primarily from their work to improve and achieve convergence of International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP) should become effective. The IASB noted that when finalising an IFRS, the effective date is often 12-18 months after the date the IFRS is published, to

[2] Please see Appendix C for a description of the circumstances in which these modified transition disclosures are permitted or required.

allow time for entities to prepare for the change and for jurisdictions to implement the IFRS into their legal or regulatory regime.

12. At their meeting on 1-2 March 2011, the IASB and FASB considered the feedback received as a result of their respective request for views. The IASB and FASB indicated that they would determine the effective dates for the projects by taking into account the significance of the accounting changes required and the methods of transition. In doing so, they will provide adequate time for stakeholders to apply the new requirements.

IFRS 9 Mandatory effective dates and disclosures

13. As noted in the comment letters, many see an interaction between the implementation of the insurance contracts standard and IFRS 9. On 16 December 2011 the IASB issued *Mandatory Effective Date of IFRS 9 and Transition Disclosures*, which amended IFRS 9 to require application for annual periods beginning on or after 1 January 2015, rather than 1 January 2013. IFRS 9 was also amended so that it does not require the restatement of comparative-period financial statements for the initial application of the classification and measurement requirements of IFRS 9, but instead requires modified disclosures on transition to IFRS 9.

14. The issue of these amendments resulted from the IASB's redeliberations on the exposure draft issued on 4 August 2011, which proposed to change the mandatory effective date of IFRS 9 so that entities would be required to apply it for annual periods beginning on or after 1 January 2015 rather than for annual periods beginning on or after 1 January 2013 as was required at the time.

15. Both the amendment published in December 2011 and the preceding exposure draft noted that, at the time IFRS 9 (2009) and IFRS 9 (2010) were issued, the IASB stated it would consider delaying the effective date of IFRS 9 if:

    (a) the impairment phase of the project to replace IAS 39 made such a delay necessary; or

    (b) the new standard on insurance contracts had a mandatory effective date later than 2013, to avoid an insurer having to face two rounds of changes in a short period.

16. In addition, in the August 2011 ED the IASB noted that the date of initial application of any new requirements for the accounting for insurance contracts needs to be considered, and that the insurance contracts standard would not have a mandatory effective date as early as 1 January 2013.

17. On the basis of developments in IFRS 9, the IASB decided in November 2011 to change the effective date of IFRS 9 (2009) and IFRS 9 (2010) so that IFRS 9 would be required to be applied for annual periods beginning on or after 1 January 2015.

Staff analysis

Minimum period required between finalisation of standard and mandatory effective date

18. In contrast to the previous ED, the staff propose that the IASB should provide an indication of how long it proposes to allow insurers to implement the new Insurance Contracts Standard. At the time the 2010 ED was published, the IASB had been planning the request for views described in paragraphs 11 and 12. However, that consideration no longer applies.

19. In general, the question of the mandatory effective date and the requirement to present comparative information are linked: a longer period before mandatory application of a new standard would mean that an entity has more time to consider the restatement of comparative information.[3]

20. In terms of effective date, the responses to the ED (see paragraphs 7-10) suggest that an effective date of at least three years would be required for a new insurance contracts standard. A similar estimate was given in a recent survey of 200 senior finance executives from insurers operating across the globe conducted by the Economist Intelligence Unit on behalf of Deloitte[4]. That survey asked how long would be required between the new Insurance Contracts and Financial Instruments standards being approved by the IASB and the required implementation date, and

[3] There are also other considerations in decided whether to require comparative information. These are discussed below.

[4] Source: Economist Intelligence Unit, Deloitte's Global IFRS Insurance Survey—Winning the Waiting Game?, page 14, July 2012, www.deloitte.com/waitinggame.

found that most survey respondents believe the standards will take several years to implement. One-half expect it to take three years (49 per cent), and one-fifth say it would take four years (21 per cent). A chart detailing their findings is set out in appendix B.

21. As illustrated in appendix D, the IASB generally allows a period of at least 18 months between the publication of a new IFRS and its mandatory effective date. Furthermore, we note that the effect of the changes proposed in the proposed standard will be pervasive for most insurers and the task of implementing the new standard on insurance contracts will be extensive. Accordingly, we think that the changes that insurers will need to make to their systems and processes warrant a relatively longer period of time between the issuance date of the final standard and the mandatory effective date.

22. Mitigating that need is the IASB's decision to re-expose only targeted areas of the new insurance standard. As the IASB has confirmed most of the proposals for accounting for insurance contracts and indicated that it will not revisit aspects of the proposed standard that fall outside those targeted areas, insurers can begin to prepare for implementation of the final insurance standard before it is released in 2014. That will extend the period available for interested parties to prepare to implement some aspects of the proposed insurance contracts standard.

23. Accordingly, the staff recommend a mandatory effective date that is at least three years after the date of issuance of the final standard.

24. The staff considered whether there could be a shorter period between the issuance of the final standard and the mandatory effective date if the IASB were to provide transition relief from the restatement of comparatives. However, the staff rejected that possibility because the IASB has previously decided to require retrospective application of the new insurance standard where possible. Insurers will thus already be required to determine the measurement of insurance contracts under the new model for past periods, in particular to determine the residual margin at inception and subsequent allocation. Consequently restatement of comparative financial statements would not require significant incremental time and resources.

25. Thus, even if comparative financial statements are not restated, an earlier mandatory effective date might not provide insurers with sufficient time to implement the

insurance standard. Furthermore, the proposed model for accounting for insurance contracts represents a fundamental change to current practice across jurisdictions, requiring insurers to make major adjustments to their systems and processes and to undertake a comprehensive programme to educate stakeholders. That means that even if the new insurance contracts standard does not require restatement of comparative financial statements, some insurers are concerned that implementation would be onerous even if the mandatory effective date is three full years after the release of the insurance standard. Accordingly, the staff does not believe that the IASB could shorten the implementation time by providing relief from the restatement of comparatives.

Interaction with the effective date for IFRS 9

26. As the statement of financial position of an insurer consists mainly of financial assets and insurance liabilities, insurers will aim to account for financial assets under IFRS 9 in such a manner that reflects the relationship between those financial assets and insurance liabilities. However the classification and measurement of the financial assets depend to an extent on the accounting treatment of the insurance liabilities, and the accounting treatment of these insurance liabilities differs depending on whether IFRS 4 or the new insurance standard is applied.
27. As described in paragraph 13-17 IFRS 9 will be mandatorily effective for annual periods beginning on or after 1 January 2015. The IASB's decision to re-expose its decisions on insurance contracts means that the staff does not expect that a final standard on insurance contracts will be published until late 2014. If the IASB accepts the staff proposal that there should be a mandatory effective date that is at least three years after the date of issuance of the final standard, then this would mean that the final standard on insurance contracts would not be effective before annual periods beginning on or after 1 January 2018, assuming no time timetable slippage. This means that, unless the mandatory effective date of IFRS 9 is further delayed, the mandatory effective date of the insurance standard will be after the mandatory effective date of IFRS 9.
28. The staff acknowledge the idea that there should be alignment between the mandatory effective date of the insurance standard and that of IFRS 9 would be ideal. Requiring

entities to implement multiple rounds of changes in a short period could result in presentation of less meaningful information in the financial statements, which could distort users' understanding of an entity's economic circumstances and transactions.

29. However the staff also believes that further delay to the mandatory effective date of IFRS 9 to allow simultaneous implementation with the new Insurance Contracts Standard is not feasible for the following reasons:

    (a) the market urgently needs the transparent and useful information that will result from application of IFRS 9.

    (b) entities have already begun to apply the classification and measurement proposals of IFRS 9. Postponing the mandatory effective date would reduce comparability across entities.

30. The staff thinks the difficulties for insurers implementing both IFRS 9 and the new insurance contracts standard could be less than originally envisioned for the following reasons:

    (a) if the IASB accepts the staff recommendation, we expect that there will be at least three years between the mandatory effective date of IFRS 9 and the new insurance contracts standard.

    (b) if the IASB accepts the staff recommendation in agenda paper 10C *Redesignation and reclassification of financial assets*, upon the application of the insurance contracts standard an insurer would **not** be permitted to designate and classify financial assets as if it had applied the relevant financial instruments standard at the same time (that is, the insurer would follow the *reclassification* guidance in the relevant financial instruments standard). However an insurer:

        (i) would be permitted to designate eligible financial assets under the FVO where new accounting mismatches are created by the application of the insurance contracts standard;

        (ii) would be required to revoke previous designations under the FVO where an accounting mismatch no longer exists due to the application of the insurance contracts standard; and

(iii) following earlier application of IFRS 9, would be permitted to newly elect to use other comprehensive income for the presentation of changes in the fair value of some or all equity instruments that are not held for trading, or revoke a previous election.

This recommendation would enable an insurer to revisit designations that it had made before applying the insurance contracts standard at the date of transition.

(c) the IASB expects to publish the insurance contracts ED in H1 2013 and, as noted in paragraph 22, the IASB has indicated that it will not revisit aspects of the proposed standard that fall outside the areas targeted for re-exposure. This means that many insurers will be able to implement IFRS 9 after reviewing those areas of the new insurance contracts standard that the IASB does not intend to change.

Interaction with the relief from providing comparative information in IFRS 9

31. In its deliberations on IFRS 9, the IASB reached the conclusion that restatement of comparative financial statements would not result in useful information in respect of classification and measurement of an entity's financial instruments. This conclusion is based on the following:

(a) an entity will determine the accounting for hedged items and hedged instruments as at the mandatory effective date. It will not possible to restate the prior-period comparative financial statements for the hedge accounting applied as at the mandatory effective date without the use of hindsight. Given the interaction between the hedging and impairment requirements, it will also not be possible to restate the comparative financial statements for impairment. Furthermore the classification and measurement requirements are intertwined with the impairment and hedging requirements of IFRS 9.

(b) an entity will not be apply the classification and measurement requirements retrospectively to financial instruments that have been derecognised. If an entity were required to restate prior-period comparative financial statements, it would be forced to measure some financial instruments using IAS 39 and others using IFRS 9 to the extent that financial instruments were derecognised during any of the periods presented.

32. As a result IFRS 9 will not require an entity to restate comparative financial statements. An entity that applies the classification and measurement proposals of IFRS 9 in reporting periods beginning on or after 1 January 2013 will instead be required to produce modified transition disclosures.

33. A summary of the relief provisions for restatement of comparative information in IFRS 9 and other projects is included in Appendix C. Appendix C also includes the requirements for restatement of comparative information in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and IAS 1 *Presentation of Financial Statements*.

34. Given that restated comparative financial statements would not provide useful information in respect of IFRS 9, some might ask if comparative financial statements would provide useful information in respect of the new insurance standard.

35. To answer this question the staff reiterate the reasons that restatement of comparative financial statements would not provide useful information in respect of classification and measurement of financial instruments:

    (a) interaction between classification and measurement, impairment and hedging requirements, and

    (b) differences between the classification and measurement requirements in IAS 39 and those in IFRS 9.

36. Neither of these issues would exist in the case of restatement of comparative information for insurance liabilities. While the forthcoming insurance standard would apply a new measurement model to insurance liabilities, the standard would not apply a classification scheme to the insurance liabilities, and interaction between different requirements in the standard would not necessitate the use of hindsight in restating comparatives, beyond the hindsight that the Board has already decided to accept or require (see agenda paper 10D *Transition—Ancillary Issues* and the September 2012 decisions regarding retrospective application).

37. Nonetheless some insurers might be concerned that their comparative financial statements would not be useful if they are required to restate comparative information for their insurance liabilities but not for their financial assets.
38. In response to this concern the staff note again that the proposed mandatory effective date of the final insurance standard (ie on or after 1 January 2018) is likely to be a number of years after the mandatory effective date of IFRS 9 (1 January 2015)[5]. (We consider early application in paragraphs 41-44.)
39. As a result we expect that insurers will already have implemented the requirements of IFRS 9 for at least three annual reporting periods before the mandatory effective date of the insurance standard. If the insurance standard requires restatement of comparative financial statements, the complete set of financial statements that an insurer produces at the mandatory effective date of the insurance standard would therefore include comparative financial statements prepared in accordance with the requirements of IFRS 9 and the new insurance standard.
40. The staff therefore recommend requiring entities that apply the new standard at the mandatory effective date to restate comparative financial statements.

Early application

41. The staff also considered whether early application of the final standard should be permitted. The staff acknowledge the concern that permitting early application may reduce comparability across insurers before the mandatory effective date.
42. However the staff note that paragraph 22 of IFRS 4 permits an insurer to change its accounting policies for insurance contracts if the change increases the reliability or relevance of the financial statements. As noted in the Basis for Conclusions to the ED, 'because IFRS 4 permits an insurer to change accounting policies for insurance contracts if the insurer shows that the change results in more relevant or reliable information, it is unlikely to be feasible for the IASB to prohibit early adoption of the IFRS on insurance contracts'. In other words, an insurer would, applying IFRS 4,

[5] The rationale for requiring restatement of comparative financial statements is based on these effective dates. However the effective date of IFRS 9 and that of the insurance standard are tentative. The staff would like to reconsider the issue of restatement of comparative information in the insurance project in light of future developments.

already be able to change its accounting policies to implement the proposals, even if the IASB prohibited early application. (An exception would be for the tentative decisions relating to OCI.)

43. Furthermore, the usual concern about permitting early application is the resulting reduction in comparability between the publication of a new standard and the mandatory effective date if some entities apply the standard early while others do not. That concern does not apply under IFRS 4.

44. Given the difficulty in preventing an insurer from applying many aspects of the final standard early, and because IFRS 4 does not currently require that insurers prepare information that is relevant and reliable, the staff recommend permitting an entity to apply the final standard before the mandatory effective date.

Relief from comparatives for entities that apply the standard early

45. The earliest period in which an insurer is likely to be able to apply the insurance contracts standard (given initial estimates of publication date of a final standard) is for annual periods beginning on or after 1 January 2015. That is the first year of mandatory application for IFRS 9, and the question arises as to whether insurers should be required to provide comparative information for insurance contract liabilities, when they are not required to do so for the financial assets they hold to back those liabilities.

46. If the IASB requires insurers to restate comparatives on early application, an insurer wishing to apply the new insurance standard early will be required to issue comparative financial statements with restated information for insurance liabilities, but not for financial assets.

47. On the one hand the principle in paragraph 15 of IAS 8 that there should be comparability over time is equally important for entities that apply the standard early and entities that apply the standard at the mandatory effective date. That would be provided by restated financial statements.

48. On the other hand an insurer might question the usefulness of the information provided if it restates comparative information for its liabilities, but not its assets. That may mean that some insurers that would otherwise choose to apply the insurance

standard early may delay applying the standard until the mandatory effective date instead. This outcome is undesirable for the following reasons:

(a) IFRS 4 permits the continuation of a wide range of existing practices, and permits insurers to select accounting policies that result in information that is neither relevant nor reliable. The new Insurance Contracts Standards, even without comparative information, would bring consistency of application across entities and require the use of accounting policies that result in relevant and reliable information; and

(b) an insurer may wish to apply IFRS 9 and the new insurance standard at the same time.

49. The staff therefore recommend permitting an entity that wishes to apply the new insurance standard early not to restate comparative financial statements.

Questions for the IASB:
Does the IASB agree: (a) that the effective date should be at least three years after the date of issuance of the final standard; (b) to require entities that apply the final standard at the mandatory effective date to restate comparative financial statements; (c) to permit an entity to apply the final standard prior to the mandatory effective date; and (d) to permit entities that apply the standard before the mandatory effective date not to restate comparative financial statements?

Appendix A—Respondents' comments on effective date

A1. The IASB received comment letters from 247[6] respondents on its ED. 82 respondents (33.2%) suggested an effective date in their comments on the period of time needed for implementation of the insurance standard. Those 82 respondents included 40 insurers and insurance representative bodies. The geographic breakdown of these insurers is portrayed in the table below.

Geographic region	2-3 years	More than 3 years	Total
Asia	1 (2.5%)	2 (5.00%)	3 (7.5%)
Europe	10 (25.0%)	1 (2.5%)	11 (27.5%)
North America	16 (40.0%)	7 (17.5%)	23 (57.5%)
Oceania	3 (7.5%)	- (0%)	3 (7.5%)
Total insurers	30 (75.00%)	10 (25.0%)	40 (100.0%)

A2. Thus, almost all Asia-Oceanian and European insurers/representative bodies and about two thirds of the North American insurers/representative bodies find an implementation period of 2 to 3 years to be feasible.

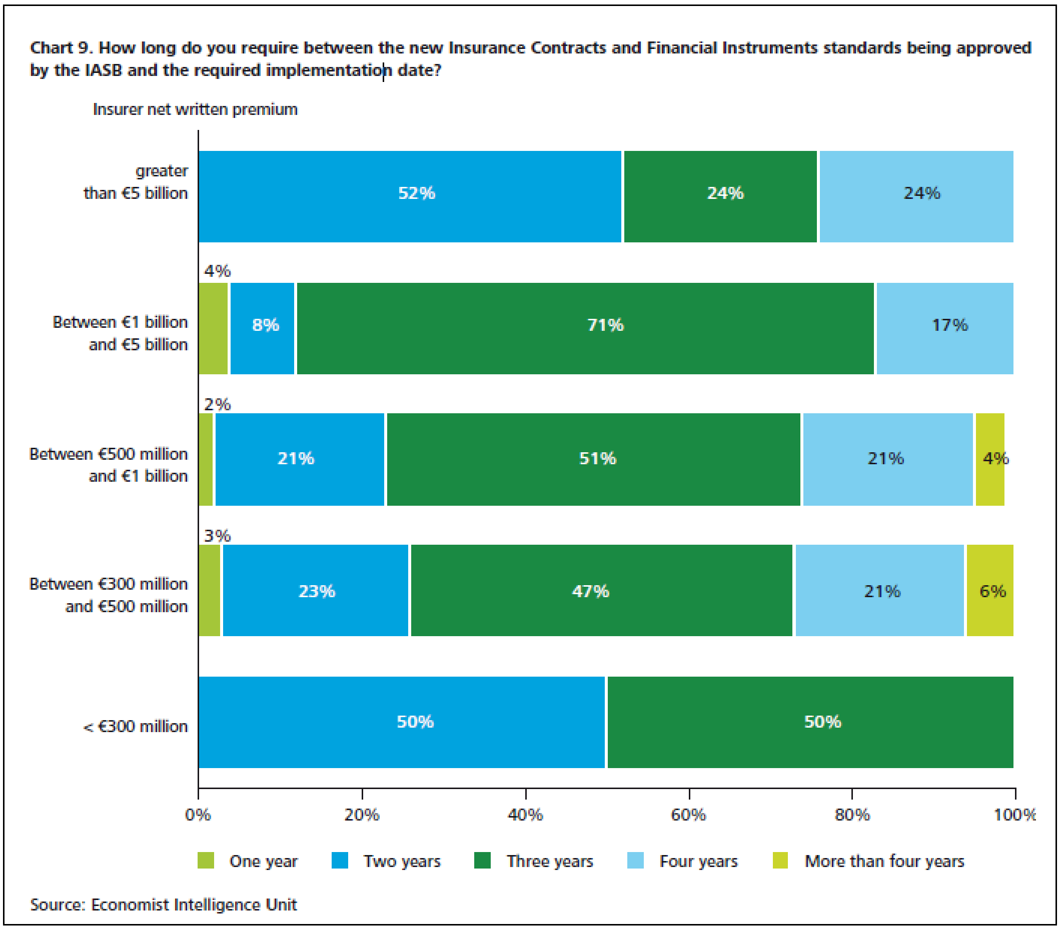
A3. In contrast about one third of North American insurers believe that an implementation period in excess of 3 years is required.

[6] Some comment letters have been received in parts. As a result of administrative inconsistencies, some were labelled as sub-parts (eg 2, 2A, 2B, 2C) and others had separate numbers (eg 4 and 114). In total the IASB received 253 letters from 247 respondents.

Appendix B: Deloitte Global IFRS Insurance Survey chart: 'How long do you require between the new Insurance Contracts and Financial Instruments standards being approved by the IASB and the required implementation date?'

B1. The chart below is extracted from the results of a survey of 200 senior finance executives from insurers operating across the globe. This survey was conducted by the Economist Intelligence Unit on behalf of Deloitte.

B2. The chart summarises the responses to the question of what period of time insurers will need to implement the standard following its release.



Source: Economist Intelligence Unit, Deloitte's Global IFRS Insurance Survey—Winning the Waiting Game?, page 14, July 2012, www.deloitte.com/waitinggame.

Appendix C—Requirements for comparative financial statement relief in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and IAS 1 *Presentation of Financial Statements* and in other projects

C1. This appendix:

(a) includes the general requirements for restatement of comparative information in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and IAS 1 *Presentation of Financial Statements*.

(b) summarises the relief that the IASB is providing entities in regard to comparative information in other projects.

Comparative financial statement requirements in IAS 8 and IAS 1

C2. Paragraph 26 of IAS 8 and paragraph 39 of IAS 1 describe the requirements for comparative financial statements when an entity changes its accounting policy. These paragraphs are reproduced below:

Paragraph 26 of IAS 8

26 When an entity applies a new accounting policy retrospectively, it applies the new accounting policy to comparative information for prior periods as far back as is practicable. Retrospective application to a prior period is not practicable unless it is practicable to determine the cumulative effect on the amounts in both the opening and closing statements of financial position for that period. The amount of the resulting adjustment relating to periods before those presented in the financial statements is made to the opening balance of each affected component of equity of the earliest prior period presented. Usually the adjustment is made to retained earnings. However, the adjustment may be made to another component of equity (for example, to comply with an IFRS). Any other information about prior periods, such as historical summaries of financial data, is also adjusted as far back as is practicable.

Paragraph 39 of IAS 1

39 An entity disclosing comparative information shall present, as a minimum, two statements of financial position, two of each of the other statements, and related

notes. When an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements, it shall present, as a minimum, three statements of financial position, two of each of the other statements, and related notes. An entity presents statements of financial position as at:

(a) the end of the current period,

(b) the end of the previous period (which is the same as the beginning of the current period), and

(c) the beginning of the earliest comparative period.

Comparative financial statement relief in other projects

Financial instruments

C3. IFRS 9 requires or permits an entity to provide modified transition disclosures in lieu of restated comparative financial statements depending on the period in which an entity applies the standard's classification and measurement requirements. The table below explains the circumstances in which modified transition disclosures are permitted or required.

Reporting period in which the entity applies the classification and measurement requirements of IFRS 9	**Form of relief from providing restated comparative financial statements**
Beginning before 1 January 2012	Not required to provide restated comparative financial statements or modified transition disclosures
Beginning on or after 1 January 2012 and before 1 January 2013	Required to provide either restated comparative financial statements or modified transition disclosures
Beginning on or after 1 January 2013	Required to provide modified transition disclosures. Not required to provide restated comparative financial

	statements.

Leases

C4. On 19 October 2011 the IASB tentatively decided to permit an entity to apply hindsight in the preparation of restated comparative financial statements. This includes the determination of whether a contract constitutes or contains a lease.

Revenue recognition

C5. The 2011 exposure draft *Revenue from Contracts with Customers* proposed the following relief provisions for restated comparative financial statements:

(a) An entity is not required to restate contracts that begin and end in the same reporting period if the contract was completed before the period of initial application; and

(b) An entity is not required to disclose the amount of the transaction price allocated to remaining performance obligations and the amount the entity expects to recognise as revenue.

Appendix D—Implementation period for each major project

D1. The table below sets forth the time the IASB:

(a) intends to provide entities to implement each major project in future years, and

(b) has provided entities to implement each major standard or amendment in recent years.

D2. For purposes of this appendix, the implementation period is the amount of time between the release date of the final standard and the mandatory effective date.

Project	**(Planned) Release date**	**Mandatory effective date**	**Implementation period**	**Restated comparatives required?**
IFRS 9 classification and measurement	2013	1 Jan 2015	18 months	No
IFRS 9 impairment	2013	1 Jan 2015	18 months	No
IFRS 9 hedging	2012	1 Jan 2015	2 years	No
Revenue recognition	2013	1 Jan 2015 or later	18 months	Yes
IAS 32	16 Dec 2011	1 Jan 2014	2 years	Yes
IFRS 13	13 May	1 Jan 2013	18 months	No

Project	(Planned) Release date	Mandatory effective date	Implementation period	Restated comparatives required?
	2011			
IFRS 10/11/12	13 May 2011	1 Jan 2013	18 months	Yes

D3. The IASB has not yet determined an effective date for the leases project.