

# COMMITTEE ON CORPORATE REPORTING

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**CCR Committee Face-to-face Minutes**  
**Wednesday, March 31, 2010**  
**8:30am-3:30pm**

**Chair:** Vic Wells, Southern Golden Horseshoe Chapter  
**Vice Chairs:** Sean Carleton, Calgary Chapter, Imperial Oil Limited

**Members in Attendance:**

Nicole Archibald, Southwestern Ontario Chapter, Fort Chicago Power Ltd.  
Karyn Brooks, Quebec Chapter, Bell Canada  
Joanne Boyes, Regina Chapter, Potash Corporation of Saskatchewan Inc.  
Anne Burpee, Toronto Chapter, South Western Insurance Group Limited  
Tim Deacon, Toronto Chapter, Manulife Financial  
Brian Fiedler, Toronto Chapter, Canadian Tire Corporation  
Gordon Heard, Southern Golden Horseshoe Chapter, The Finance Group  
Edward Jonasson, Toronto Chapter  
Nancy Lala, Toronto Chapter, About Communications  
Melanie Litoski, Calgary Chapter, Enmax Corporation  
Carol Lyons, Liquor Control Board of Ontario  
Philip Maguire, Toronto Chapter, Glenidan Consultancy  
Glenn Menuz, Calgary Chapter, TransCanada Corporation  
John Mockler, Southwestern Ontario Chapter, London Health Sciences Centre  
Neil Robertson, Calgary Chapter, Cenovus Energy Inc.  
Pamela Steer, Toronto Chapter  
Debbie Stein, Calgary Chapter, AltaGas Ltd.  
Kathy Stevenson, Vancouver Chapter, Interior Savings Credit Union  
Darla Sycamore, Toronto Chapter, Sycamore Management Consultants  
Mark Walsh, Toronto Chapter, Canadian Institute of Chartered Accountants  
John Weerdenburg, National Capital Region Chapter, Ottawa International Airport Authority  
Tim Zahavich, Southern Golden Horseshoe Chapter, St. Joseph Communications

**FEI Canada:**

Michael Conway  
Melissa Gibson  
Line Trudeau

**Guests:**

Geoff Leverton, PwC  
Tricia O'Malley, AcSB  
Peter Martin, AcSB  
Cameron McInnis, OSC  
Marion Kirsh, OSC  
Heidi Franken, OSC  
Janet Stockton, BDO

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**MEETING MINUTES**

**1. Call to order and new member welcome**

Vic Wells welcomed everyone to the meeting. He introduced the two new members in attendance, Edward Jonasson and Carol Lyons, Controller of the LCBO.

**2. Review Minutes of March 3, 2010**

The committee approved the minutes of March 3, 2010.

**3. Review of Rolling Agenda and Work Plans**

- [IASB ED: Measurement of Liabilities – amendments to IAS 37](#) – Extended to May 19, 2010  
Sujeet Kini is leading this group, with the help of Melanie Litoski, Sean Carleton, Lucio Milanovich. Philip Maguire.

The committee discussed this comment letter submitted by Sujeet Kini and his team. Comments were submitted to Melanie Litoski, to take back to the working group.

- **[IASB: Financial Instruments: Amortised Cost and Impairment – June 30, 2010 to IASB, June 15 to the AcSB](#)**  
Tim Deacon is leading, with the help of Kathy Stevenson, Karyn Brooks, Nicole Archibald, Gordon Heard and Anne Burpee. The group was planning a call to discuss this item, for Friday, March 5. The comment letter will be done for early May.

Tim reported that the working group will have a call tomorrow. They were hoping to get the views of some of the banks and insurance organizations. They plan to have a letter drafted before the June CCR meeting at the latest.

Tim was fortunate to have recently attended a roundtable for the AcSB to solicit feedback from specific industry groups - the insurance and banking industry in particular. It was a good chance to float some ideas, which Tim will bring back to the CCR group when drafting the response.

- **[Exposure draft IFRS Taxonomy 2010 – April 22, 2010](#)**  
Philip Maguire, Gordon Heard and Sujeet Kini were interested in the item.

Philip reported that the group has done some investigation on this item, and that it is very IT driven. The committee was fine with not commenting on this item

#### **New Items:**

- ⇒ **[Conceptual Framework – Reporting Entity – July 16, 2010](#)**

Debbie Stein (leader), Brian Fiedler, Philip Maguire and Joanne Boyes are going to work on this item.

- ⇒ **[Accounting Standards for Not-for-Profit Organizations – July 15, 2010](#)**

John Mockler, Pamela Steer and John Weerdenburg will work on this item.

#### **4. IFRS and Non-GAAP measures presentation**

Geoff Leverton, Partner, Capital Markets Group, PricewaterhouseCoopers.  
Please click on the documents below to view them:

- [Getting to Grips with Non-GAAP measures](#)
- [2007 Europe Survey Non-GAAP Measures](#)
- [DATALINE 2010-03](#)

#### **5. Accounting Standards Update**

Tricia started out by explaining that it has been an exciting six month period for the AcSB. They have completed some important pieces of their 2006-2011 strategy.

- IFRS went into the handbook in January 2010
- The accounting Standards for Private Enterprises went into part two of the handbook in December, 2009
- Revised introductions in part four of the handbook were released today (March 31, 2010).
- They put out an exposure draft for Not-for-profit Accounting Standards to go into part three of the handbook in February.

Tricia O'Malley listed the recent additions to the handbook:

### **Strategy at the AcSB**

The AcSB has been working with the Oversight Council to develop a plan for this April, to take the AcSB to 2011. This will wrap up the outstanding todo's. They have also talked to the Council about the development of a new strategic plan, they think will run for three years, rather than five, as they don't expect any major changes in that period. Their objective is going to be implementation, and getting everyone comfortable with the new standards. They expect to publish this new plan for comment and have round tables etc.

### **Private enterprise standards.**

The AcSB has just finished creating a group to assess the changes to IFRS, whether these changes should be added to the PE GAAP. There is going to be a media announcement on that committee likely tomorrow. 87 people were interested. There are four user representatives, two practitioners who are members of the board itself, who both practice PE GAAP. Because there were so many people interested, they have created associates of the committee.

Philip Maguire asked if this committee will also be looking at the comparison of PE GAAP, as well as SME IFRS? Tricia answered that in the long term, this convergence will happen, because one of the things that people were worried about in the creation of PE GAAP, was how far apart the SME IFRS and PE GAAP would be, because the further away from each other they are, the more difficult it is for people to transition.

The board is going to have to decide if the SME IFRS should be implemented, and Peter Martin said that the overarching theme to do whatever makes sense for the sector, while maintaining high quality reporting.

### **IFRS Discussion Group**

This is now up and running. The group meets in public and has observers. They audio cast this group live, but also archive the discussion, and are also putting out meeting notes which summarize the issues discussed and how the decisions were made.

### **Upcoming standards for comment and round tables:**

- Proposal to modify the measurement requirements of IAS 37 – there are a lot of rather interesting and fundamental issues that can be drawn from that proposal.
- Consolidations and derecognition
- The ongoing work to develop the various parts of the replacement for IAS 39, one of which is the exposure draft currently out on amortized cost and impairment.
- There is an expected ED on Hedge Accounting coming out sometime soon.
- The IASB is fairly well along in dealing with the package of topics known as the financial crisis project.
- Income taxes...but they are still not sure what they're going to do with that issue, other than put out a package of fixes to the current IAS 12.
- They are working up an exposure draft on financial statement presentation.
- Insurance contracts, which is another long standing project, which is supposed to come to an exposure draft by the end of the second quarter.
- Revenue Recognition is expected as an exposure draft in the not too distant future.

There are going to be two round tables on April the 30<sup>th</sup>, one on IAS 37 and one on Amortized cost and impairment. There will be another set of roundtables in mid May on the upcoming extractive activities exposure draft. Mark Walsh has been a big part of this draft. Dates are: May 13<sup>th</sup> in Vancouver, May 14<sup>th</sup> in Calgary, and TBD for Toronto and Montreal.

## 6. OSC Regulatory Update

Heidi Franken spoke to the committee about the OSC staff notice 52-718 on IFRS Transition Disclosure Review. The OSC is looking for quantitative information this year about IFRS, if and when it is available. The overall message was that the OSC is looking for disclosure of expected effects on financial statements when a change in accounting policies experienced including a discussion in your MD&A about those effects.

Marion Kirsh asked the committee for review the “Non-GAAP Financial Measures and Additional Measures” notice. The committee gave Marion their answers to the three questions which had previously been circulated to the committee. One committee member pointed out that there are examples of what non-GAAP measures are, but not of what additional GAAP measures are.

Cameron McInnis did then spoke about some of the proposed rules that the CSA has been discussing and debating.

- Acquisition Statements – This has been interesting, because only Ontario said that if a Public company acquires a private company, and the private company is reporting under ASPE, the private company should have to convert to IFRS. All other parts of Canada said that ASPE would be fine. OSC Staff are still discussing this, and currently there is a possibility of a reconciliation to IFRS approach Ontario, for selected disclosures. Nothing has been approved.
- U.S. GAAP: The OSC has proposed that SEC issuers will continue to be able to use U.S. GAAP.
- Filing Extension: The OSC has proposed a 30 day filing extension, and comments were favourable.
- They still want to see the transition balance sheet in the first interim filing.

## 7. IASB – SAC

Karyn Brooks reported that SAC has now changed its name to the IAC (IFRS Advisory Committee). Karyn explained that because she represents FEI Canada and CCR on the IAC, she wants to keep the committee in tune with what they are doing. The IFRS Advisory committee, which is chaired by Paul Cherry, is responsible for agenda suggestions for the IASB. They meet three times a year.

The board has decided that there will be two sets of major changes that will come about, post 2011, and happen Jan. 1, 2013 and Jan. 1, 2015. As the IASB gets bigger and bigger, they are looking at who their audience is, and what their constituency is. How do they reach out to a world wide constituency?

Post 2011: There were very strong views around the table that we need a period of calm post 2011. That being said, there would be work done on a conceptual framework and the disclosure framework in this time period. There was also a consensus that the board should do a post implementation review on its standards to see if they are working in the way they intended.

## 8. Auditor Update

Janet Stockton from BDO spoke to the committee about the work auditors are doing in relation to the IFRS implementation.

Please click here to see Janet’s presentation.

- [Janet Stockton's FEI Canada Presentation](#)

## 9. Adjournment

Vic Wells thanked everyone for attending the meeting, as this was the best ever member and guest turnout to a CCR meeting.