

AN OFFERING FROM BDO'S NATIONAL ASSURANCE PRACTICE

SIGNIFICANT ACCOUNTING & REPORTING MATTERS

 **Lumsden &
McCormick, LLP**
Certified Public Accountants



Contact:

Sherry L. DelleBovi, CPA
sdellebovi@lumsdencpa.com

James M. Dunn, CPA
jdunn@lumsdencpa.com

Donna M. Gonser, CPA
dgonser@lumsdencpa.com

Michael J. Grimaldi, CPA
mgrimaldi@lumsdencpa.com

Stephen T. LoVullo, CPA
slovullo@lumsdencpa.com

John P. Schiavone, CPA
jschiavone@lumsdencpa.com



TABLE OF CONTENTS

Financial Accounting Standards Board (FASB)	1
Final FASB Guidance	1
Proposed FASB Guidance	4
Other Activities	5
Securities Exchange Commission (SEC)	7
Final Rules	7
Proposed Rules	8
Other Activities	8
International Accounting Standards Board (IASB)	10
Final IASB Guidance	10
Proposed IASB Guidance	13
Other Activities	14
Effective Dates of U.S. Accounting Pronouncements	15
BDO Resources for Clients and Contacts	18
BDO Ac'sense SM Upcoming Webinar Events and Archives	18
BDO Client Advisories	19
BDO Financial Reporting Letters & Flash Reports	19
BDO IFRS Resource Center	19

To ensure compliance with Treasury Department regulations, we wish to inform you that any tax advice that may be contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or applicable state or local tax law provisions or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.

Material discussed in this publication is meant to provide general information and should not be acted on without professional advice tailored to your individual needs.



► FINANCIAL ACCOUNTING STANDARDS BOARD (FASB)

FINAL FASB GUIDANCE

All final FASB guidance can be accessed on the FASB website at <http://www.fasb.org/home>, located under the *Standards* tab, *Standards Issued in 2011*.

Accounting Standards Update 2011-05 – Comprehensive Income (Topic 220): Presentation of Comprehensive Income

Issued: June 2011

Summary: Under the amendments in this Update, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income (OCI) either in a single continuous statement of comprehensive income or in two separate but consecutive statements. Regardless of which format is chosen, an entity is required to present each component of net income along with total net income, each component of OCI along with a total for OCI, and a total amount for comprehensive income. The Update specifies the presentation to be followed under both options.

Additionally, regardless of which format is chosen, the amendments establish a requirement for entities to present on the face of the financial statements reclassification adjustments for items that are reclassified from OCI to net income in the statement(s) where the components of net income and the components of OCI are presented.

The amendments in this Update do not change any of the following requirements: the items that must be reported in OCI; when an item of OCI must be reclassified to net income; or how earnings per share is calculated or presented. The amendments also do not change the option for an entity to present components of OCI either net of related tax effects or before related tax effects, with one amount shown for the aggregate income

tax expense or benefit related to the total of OCI items. In both cases, the tax effect for each component must be disclosed in the notes to the financial statements or presented in the statement in which OCI is presented.

This Update was developed jointly with the IASB. Refer to corresponding IASB standard below.

Effective Date: The amendments in this Update should be applied retrospectively. For public entities, the amendments are effective for interim and annual periods beginning after December 15, 2011. For nonpublic entities, the amendments are effective for fiscal years ending after December 15, 2012, and interim and annual periods thereafter.

Early adoption is permitted, because compliance with the amendments is already permitted. The amendments do not require any transition disclosures.

Accounting Standards Update 2011-04 – Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs

Issued: May 2011

Summary: The amendments in this Update were issued in order to align the fair value measurement and disclosure requirements in U.S. Generally Accepted Accounting Principles (U.S. GAAP) and International Financial Reporting Standards (IFRS). Consequently, the amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements.

Some of the amendments clarify the FASB's intent about the application of existing fair value measurement requirements. Other amendments modify a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. However, many of the amendments in this Update will not result in a change in the application of the requirements in ASC 820.

The amendments in this Update that change a particular principle or requirement for measuring fair value or disclosing information about fair value measurements include the following: (1) the ASU permits an exception to the requirements in ASC 820 for measuring fair value when a reporting entity manages its financial instruments on the basis of its net exposure, rather than its gross exposure, to those risks; (2) the ASU clarifies that the application of premiums and discounts in a fair value measurement is related to the unit of account for the asset or liability being measured at fair value; and (3) the ASU amendments expand the disclosures about fair value measurements. Further, as a result of the amendments, blockage discounts are no longer permitted for level 2 and 3 investments.

This Update was developed jointly with the IASB. Refer to corresponding IASB standard below.

Effective Date: The amendments in this Update are to be applied prospectively. For public entities, the amendments are effective during interim and annual periods beginning after December 15, 2011; early application is not permitted. For nonpublic entities, the amendments are effective for annual periods beginning after December 15, 2011. Nonpublic entities may apply the amendments in this Update early, but no earlier than for interim periods beginning after December 15, 2011.

Accounting Standards Update 2011-03 – Transfers and Servicing (Topic 860): Reconsideration of Effective Control for Repurchase Agreements

Issued: April 2011

Summary: The amendments in this Update remove from the assessment of effective control for Repurchase Agreements (1) the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee, and (2) the collateral maintenance implementation guidance related to that criterion.

Other criteria applicable to the assessment of effective control are not changed by the amendments in this Update. Those criteria indicate that the transferor is deemed to have maintained effective control over the financial assets transferred (and thus must account for the transaction as a secured borrowing) for agreements that both entitle and obligate the transferor to repurchase or redeem the financial assets before their maturity if all of the following conditions are met: (1) the financial assets to be repurchased or redeemed are the same or substantially the same as those transferred; (2) the agreement is to repurchase or redeem them before maturity, at a fixed or determinable price; and (3) the agreement is entered into contemporaneously with, or in contemplation of, the transfer.

Effective Date: The guidance in this Update is effective for all entities, both public and nonpublic, for the first interim or annual period beginning on or after December 15, 2011. The guidance should be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. Early adoption is not permitted.

Accounting Standards Update 2011-02 – Receivables (Topic 310): A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring

Issued: April 2011

Summary: In evaluating whether a restructuring constitutes a troubled debt restructuring, a creditor must separately conclude that both of the following exist: (1) the restructuring constitutes a concession; and (2) the debtor is experiencing financial difficulties.

The amendments to ASC 310 clarify whether a creditor has granted a concession, as follows: (1) it provides additional considerations when it is determined that the restructuring is at a below-market rate, which may indicate a concession; (2) explains how a temporary or permanent increase in the contractual interest rate as a result of a restructuring affects the evaluation of whether a concession has been granted; and (3) includes various factors to be considered in assessing whether a restructuring resulting in a delay in payment is insignificant (the amendments clarify that a restructuring that results in a delay in payment that is insignificant is not a concession). The amendments include examples illustrating these clarifications.

The amendments to ASC 310 clarify the guidance on a creditor's evaluation of whether a debtor is experiencing financial difficulties, stating that a creditor may conclude that a debtor is experiencing financial difficulties, even though the debtor is not currently in payment default. A creditor should evaluate whether it is probable that the debtor would be in payment default on any of its debt in the foreseeable future without the modification.

In addition, the amendments to ASC 310 clarify that a creditor is precluded from using the effective interest rate test in the debtor's guidance on restructuring of payables (paragraph 470-60-55-10) when evaluating whether a restructuring constitutes a troubled debt restructuring.

Effective Date: The amendments in this Update are effective for public entities for the first interim or annual period beginning on or after June 15, 2011, and should be applied retrospectively to modifications occurring on or after the beginning of the annual period of adoption. The amendments in this Update are effective for nonpublic entities for annual periods ending on or after December 15, 2012, including interim periods within those annual periods. Early adoption is permitted for public and nonpublic entities, with certain stipulations for nonpublic entities.

Emerging Issues Task Force (EITF) Issue No. 10-H: Fees Paid to the Federal Government by Health Insurers

Status: Final consensus as of June 23, 2011; FASB ratification expected July 13, 2011 and final ASU to be issued thereafter.

Summary: In March 2010, President Obama signed into law *The Patient Protection and Affordable Care Act* and *The Health Care and Education Reconciliation Act* (the "Acts"). The Acts impose an annual fee on certain health insurers for each calendar year beginning after 2013. The Task Force agreed that the fee to be paid by health insurers should be accounted for in a manner similar to its final consensus on Issue 10-D (issued as ASU 2010-27) concerning the fee to be paid by pharmaceutical manufacturers under the Acts. Health insurers should recognize the annual fee as a liability in the year payable and recognize a corresponding asset that is amortized to operating expense ratably over the applicable calendar year. The fee does not meet the definition of a deferred acquisition cost.

FASB ratification of the consensus is expected at the July 13, 2011 board meeting, after which the board will issue a final ASU.

Effective Date: This Issue will be effective for calendar years beginning after December 31, 2013.

EITF Issue No. 9-H: Health Care Entities: Presentation and Disclosure of Net Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts

Status: Final consensus as of June 23, 2011; FASB ratification expected July 13, 2011 and final ASU to be issued thereafter.

Summary: At its June 2011 meeting, the Task Force evaluated comments received on its consensus-for-exposure and refined the scope of its consensus to apply only to health care entities that perform services for patients for which the ultimate collection of all or a portion of the amounts billed or billable cannot be determined at the time services are rendered (i.e., whether by law or stated mission the entity cannot deny services

based on the patient's creditworthiness). The Task Force affirmed its consensus to retain the existing revenue recognition model for such health care entities and that those entities should present the provision for bad debts as a component of net patient revenues within the revenue section of their statement of operations. The Task Force reached a further consensus regarding disclosures to be provided by health care entities, which will be modified from those presented in the consensus-for-exposure, but which will still achieve disclosure of both qualitative and quantitative aspects of net patient revenue and bad debts.

FASB ratification of the consensus is expected at the July 13, 2011 board meeting, after which the board will issue a final ASU.

Effective Date: This Issue will be effective for public entities for fiscal years beginning after December 15, 2011, and interim periods within those fiscal years. For nonpublic entities, the Issue will be effective for fiscal years ending after December 15, 2012, and interim and annual periods thereafter. Early adoption would be permitted. Entities must apply the presentation requirements retrospectively; however, the qualitative and quantitative disclosures are only required to be provided prospectively.

PROPOSED FASB GUIDANCE

The following section provides high level summaries of FASB proposals and discussion papers that were exposed or remained open for comment in the second quarter, or for which the comment period ended during the second quarter. All proposed Accounting Standards Updates can be accessed on the FASB website at <http://www.fasb.org/home>, located under the *Board Activities* tab, *Exposure Documents*.

Proposed Accounting Standards Update – *Testing Goodwill for Impairment*

Issued: April 22, 2011

Comment Deadline: June 6, 2011

Summary: The guidance in this proposed ASU is intended to simplify how an entity is required to test goodwill for impairment.

The amendments in this Update would allow an entity to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Current guidance requires an entity to perform the first step of the goodwill impairment test on at least an annual basis, whereby the entity compares the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit is less than its carrying amount, then the entity must perform the second step of the test to measure the amount of impairment loss, if any.

Under the proposed amendments, an entity would not be required to calculate the fair value of a reporting unit unless the entity determines, based on a qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The proposals include a number of factors to consider in conducting the qualitative assessment.

Effective Date: If approved, the amendments in the proposed Update would be effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. Early adoption would be permitted.

Proposed Accounting Standards Update – *Balance Sheet (Topic 210): Offsetting*

Issued: January 28, 2011

Comment Deadline: April 28, 2011

Summary: The FASB and IASB published a proposal to establish a common approach to offsetting financial assets and financial liabilities on the statement of financial position (balance sheet).

Under the proposed amendments, an entity would be required to offset (that is, present as a single net amount in the statement of financial position) a recognized eligible asset and a recognized eligible liability when it has an unconditional and legally enforceable right of setoff and intends either to settle the asset and liability on a net basis or to realize the asset and settle the liability simultaneously (the "offsetting criteria").

The proposed amendments clarify that the offsetting criteria would apply whether the right of setoff arises from a bilateral arrangement or from a multilateral arrangement (that is, between three or more parties). The proposals also clarify that a right of setoff must be legally enforceable in all circumstances (including default or bankruptcy of a counterparty) and that its exercisability must not be contingent on a future event.

The proposed amendments would require an entity to disclose information about offsetting and related arrangements (such as collateral agreements) to enable users of its financial statements to understand the effect of those arrangements on its financial position.

Effective Date: The Boards seek information about the time and effort that would be involved in implementing the proposed requirements. The Boards will use that information to determine an appropriate effective date. In addition, the Boards will consider the responses to the Discussion Paper, *Effective Dates and Transition Methods*, as well as the implementation plan for other planned new accounting and reporting standards in order to facilitate management of the pace and cost of change.

Proposed Accounting Standards Update – Other Expenses (Topic 720): Fees Paid to the Federal Government by Health Insurers (A consensus of the FASB Emerging Issues Task Force)

Issued: December 17, 2010

Comment Deadline: April 18, 2011

Summary: The amendments in this Update specify that the liability for a fee paid to the federal government by health insurers should be estimated should be estimated and recorded in full once the entity provides qualifying health insurance in the applicable calendar year in which the fee is payable with a corresponding deferred cost that is amortized to expense using a straight-line method of allocation unless another method better allocates the fee over the calendar year that it is payable.

Additionally, the Update indicates that the fee would not meet the definition of an acquisition cost as amended by FASB ASU 2010-26, *Financial Services – Insurance (Topic 944): Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts*.

Effective Date: The amendments in this proposed Update would be effective for calendar years beginning after December 31, 2013, when the fee initially becomes effective.

OTHER ACTIVITIES

The following section provides high level summaries of other relevant FASB publications and activities, with particular focus on the recent developments and prioritization of the FASB and IASB's joint efforts to work towards convergence of U.S. GAAP and IFRS.

IASB and FASB Report Substantial Progress Toward Completion of Convergence Program¹

On April 21, 2011, the FASB and the IASB issued a joint progress report on their collaborative work to improve IFRS and U.S. GAAP, and to bring about convergence of the two sets of standards.

The progress report summarizes convergence activity over the past five months, indicating that in that time period the boards have:

- 1. Completed five projects:** The boards have reached important decisions on a number of projects, reducing the number of remaining priority Memorandum of Understanding (MoU) projects to three (revenue recognition, leasing and financial instruments) for continued work. Reflecting the completion of MoU projects, the report announced upcoming publication of standards that are converged or substantially converged on fair value measurement, consolidated financial statements (including disclosure of interests in other entities), joint arrangements, other comprehensive income and post-employment benefits. See *Final IASB Guidance*, below, for executive summaries of the standards issued in May 2011.

¹ Subsequent to the April Progress Report, the FASB and IASB in June 2011 announced plans to re-expose their revised proposals for a common revenue recognition standard in the third quarter of 2011 for a comment period of 120 days. For more information, refer to the joint FASB/IASB press release at: http://www.fasb.org/cs/ContentServer?site=FASB&c=FASBContent_C&pagename=FASB%2FFASBContent_C%2FNewsPage&cid=1176158616657.

- 2. Assigned priority to the remaining MoU areas and insurance accounting:** In November 2010 the boards decided to give priority to their joint work on three MoU projects as noted above, and to the separate accounting for insurance contracts projects in order to permit timely completion.
- 3. Extended the completion target beyond June 2011:** At their meeting in April, the boards extended the timetable for the remaining priority MoU convergence and insurance contracts projects beyond June 2011 to permit further work and consultation with stakeholders. The boards have revised their work plan to focus on completing the three remaining priority convergence projects in the second half of 2011, in a manner consistent with an open and inclusive due process. For insurance contracts, the IASB plans to complete its project in the second half of 2011 while the FASB plans to issue an exposure draft in a similar timeframe. This work plan is described in more detail in an appendix to the report.
- 4. Agreed that the decisions that will be made on effective dates will give entities sufficient time to implement changes:** The boards have emphasized that they will set effective dates that will allow those who use IFRS and U.S. GAAP adequate time to prepare for implementation of the standards. In connection with this, the boards issued a joint *Effective Dates User Survey* on April 18, 2011 seeking stakeholder input on effective dates and transition methods for the priority projects and the insurance contracts project (see summary of this survey, below).

The progress report contains two appendices: the first summarizes in tabular format the work completed from the original publication of the MoU in 2006; the second lays out a work plan for remaining priority convergence projects (revenue recognition, leasing, and financial instruments), as well as the insurance contracts project. The boards emphasized the importance of quality standards, stating that due to the nature of the proposed standards and the high volume of feedback received on exposure drafts, additional time is needed to incorporate stakeholder concerns as well as complete further research and consultation with stakeholders in an open and inclusive due process.

The current IASB/FASB progress report may be accessed at: http://www.fasb.org/cs/ContentServer?site=FASB&c=Document_C&pagename=FASB/Document_C/DocumentPage&cid=1176158460551.

IASB and FASB Joint Effective Dates User Survey

In October 2010, the FASB and the IASB each published a document requesting views from stakeholders about the time and effort that will be involved in adopting several new standards and when those standards should be effective. As a result of the limited amount of feedback received, the Boards prepared a very brief survey to collect feedback from constituents, which was available from April 18 through May 6, 2011.

This survey requested responses from investors regarding questions on the potential effective dates and transition methods of the following projects – *Accounting for Financial Instruments, Leases, Revenue Recognition, and Insurance Contracts*.



▶ SECURITIES EXCHANGE COMMISSION (SEC)

FINAL RULES

(Note: The following pertains to significant accounting and reporting SEC releases. For a complete listing of SEC rules, please refer to the SEC website at <http://www.sec.gov/>).

All SEC Final Rules can be accessed on the SEC website at <http://www.sec.gov/>, located under the *Regulatory Actions* section, *Final Rules*.

Final Rule – Implementation of the Whistleblower Provisions of Section 21F of the Securities Exchange Act of 1934

Release: S7-33-10

Issued: May 25, 2011

Summary: On May 25, 2011, the SEC voted 3-to-2 to adopt whistleblower rules mandated by Section 922 of *The Dodd-Frank Wall Street Reform and Consumer Protection Act* (the Dodd-Frank Act). The rules implement the Act's requirement that the Commission pay an award to whistleblowers that voluntarily provide original information to the SEC that leads to a successful enforcement action with sanctions of over \$1 million. The whistleblower rules were proposed in November 2010 and generated over 240 individual comment letters and 1,300 form comment letters.

A controversial aspect of the whistleblower rules, and the primary reason for the two "no" votes, is the possibility that the rules could undercut existing corporate internal compliance programs by incentivizing whistleblowers to report tips directly to the SEC. Chairman Mary Schapiro observed that the final rules were drafted to balance encouraging whistleblowers to report internally when appropriate while providing the option of reporting directly to the SEC.

BDO has published a *Flash Report* summarizing changes made to the proposed rules in response to respondent concerns; the *Flash Report* is accessible at: <http://www.bdo.com/download/1732>.

Effective Date: The SEC's rules become effective on August 12, 2011.

PROPOSED RULES

All SEC Proposed Rules can be accessed on the SEC website at <http://www.sec.gov/>, located under the *Regulatory Actions* section, *Proposed Rules*. We have highlighted the more significant of those rules below.

With the passage of the Dodd-Frank Act, the SEC has been charged with a significant amount of rule-making. During the second quarter, the Commission voted to propose the following rules that directly affect corporate governance and financial reporting.

Proposed Rules – *Listing Standards for Compensation Committees*

Release: 33-9199 and 33-9203

Issued: March 30, 2011

Comment Deadline: May 19, 2011 (extension of comment period)

Summary: The SEC voted to propose rules directing the national securities exchanges to adopt listing standards related to the compensation committee of a company's board of directors as well as its compensation advisers, as required by Section 952 of the Dodd-Frank Act. The SEC's proposal also would require new disclosures from companies concerning their use of compensation consultants and conflicts of interest. In particular, the proposal requires the "listing standards" to address the independence of the members on a compensation committee, the committee's authority to retain compensation advisers, and the committee's responsibility for the appointment, payment and work of any compensation adviser. Once an exchange's new listing standards are in effect, a listed company must meet these standards in order for its shares to continue trading on that exchange.

OTHER ACTIVITIES

Dodd-Frank Mandated SEC Study Supports Auditor Attestation Requirement for Small Accelerated Filers

Summary: On April 22, 2011 the SEC staff released a study related to auditor attestation of internal controls over financial reporting (ICFR). The study, required by the Dodd-Frank Act, is focused on how the SEC can reduce the burden of the ICFR auditor attestation requirement on small accelerated filers with public floats between \$75 million and \$250 million without negatively impacting investors. The Dodd-Frank Act also directed the SEC to consider in the study whether reducing the compliance burden or completely exempting such companies from the ICFR auditor attestation requirement would encourage companies undertaking initial public offerings to list on exchanges in the U.S.

BDO has published a *Flash Report* summarizing the conclusions and recommendations as a result of the study; the *Flash Report* is accessible at: <http://www.bdo.com/download/1680>.

Staff Paper: Exploring a Possible Method of Incorporation of IFRS

Summary: On May 26, 2011, the SEC released a staff paper, "*Exploring a Possible Method of Incorporation*," as a possible framework for incorporating IFRS into the U.S. financial reporting system. The staff paper describes a framework of incorporation that has not been previously discussed in detail and outlines benefits and risks that may be associated with this incorporation approach. The staff describes the framework goals as achieving a single set of high-quality, globally accepted accounting standards and allowing a U.S. domestic issuer complying with U.S. GAAP to be in a position to assert that it is compliant with IFRS as issued by the IASB.

The staff notes in the paper that the framework does not represent either the preferred approach or the only possible approach for incorporating IFRS into the U.S. financial reporting system. The framework is predicated on the principle that U.S. GAAP would be retained but IFRS would be incorporated by the FASB into U.S. GAAP over a "defined" period of time in order to minimize transition costs, particularly for smaller issuers. Additionally, the framework would allow the FASB and the SEC the ability to modify or supplement newly issued or amended IFRS into U.S. GAAP when it is in the public interest and necessary for the protection of investors. The framework suggests first the convergence of U.S. GAAP and IFRS

and then the endorsement of new IFRS rather than a big bang full "first-time adoption" of all IFRS. The staff observes in the paper that U.S.-specific circumstances for which the FASB would consider modifying IFRS should be rare and generally avoidable.

Under the framework, the FASB would be maintained as the U.S. standard setting body by participating in the process for developing IFRS; the FASB would not develop new accounting standards or modify existing U.S. GAAP standards. The SEC would retain its authority to establish financial reporting requirements when interpretative guidance is required or appropriate for U.S. constituents, although the staff notes that it would prefer to address such needs through standard setting.

The benefits and risks associated with this potential framework will continue to be assessed and the SEC has requested comments from constituents to be submitted prior to July 31, 2011 via the following link:

http://www.sec.gov/cgi-bin/ruling-comments?ruling=4-600&rule_path=/comments/4-600&file_num=4600&action=Show_Form&title=Commission%20Statement%20in%20Support%20of%20Convergence%20and%20Global%20Accounting%20Standards.

The staff paper is accessible at: <http://sec.gov/spotlight/globalaccountingstandards/ifrs-work-plan-paper-052611.pdf>.

SEC Hosts Roundtable on International Financial Reporting Standards

Summary: On July 7, 2011, the SEC held roundtable discussions with representatives from investors, smaller public companies, and regulators to discuss benefits and challenges related to potentially incorporating IFRS in the United States financial reporting system. The investor panel discussion was supportive of a single set of globally accepted accounting standards. However, the investor panelists were concerned about the IASB's governance and funding, especially regarding the fact that in some countries, financial reporting may serve public policy interests rather than those of investors. Further concerns were raised on the uniform application of principles-based accounting standards and the IASB's interpretative mechanisms. Investors stressed the importance of the IASB's having a responsive interpretative mechanism subject to a formal standard-setting process, and they noted that local interpretation of IFRS could lead to diverse application of IFRS globally.

The smaller public companies panelists were concerned about the lack of resources and the potential implementation costs. Some panelists viewed little or no benefits of implementing IFRS. The panelists mostly supported a "big bang approach" versus a staggered approach for incorporating IFRS into the U.S. system. A staggered transition was perceived as more costly. They also stressed the importance of the FASB and IASB completing its current convergence projects before the SEC sets the date for IFRS incorporation. There were also different views expressed on whether to allow for early adoption.

The regulatory panelists discussed the current use of U.S. GAAP financial information in the various regulatory activities they undertake, the steps required and potential timing to make changes in regulations, and costs and benefits of potential IFRS incorporation. The panelists believe that sufficient time should be provided for the transition to IFRS and that the needs of U.S. investors should be carefully considered.

REMINDER! eXtensible Business Reporting Language (XBRL) Group III Phase-In Effective June 15, 2011

Summary: In 2008, the SEC determined that all companies should file information in an interactive data format using eXtensible Business Reporting Language (XBRL), as XBRL enhances the ability of users to analyze and compare financial information. The Commission divided registrants into three groups and began phasing in XBRL reporting in 2009. This June, the third and last phase-in group (domestic and foreign filers that prepare their financial statements in accordance with U.S. GAAP with under \$700 million in public float, including smaller reporting companies) are required to begin XBRL reporting. These "Group III" companies must provide XBRL data when they file their first Form 10-Q (or, for foreign private issuers, their first Form 20-F or 40-F) for a period ending on or after June 15, 2011.

BDO has published a *Flash Report* addressing frequently asked XBRL questions and answers about XBRL; the Flash Report is accessible at: <http://www.bdo.com./download/1727>.



▶ INTERNATIONAL ACCOUNTING STANDARDS BOARD (IASB)

FINAL IASB GUIDANCE

All final IASB guidance can be accessed on the IASB website at <http://www.iasb.org/>, located under the *IFRS* tab, *Standards and Interpretations*.

Questions and Answers about the IFRS for SMEs – Q&A 2011/01 Use of the IFRS for SMEs in a Parent's Separate Financial Statements

Issued: June 2011

Summary: The SME Implementation Group, responsible for assisting the IASB on matters related to the implementation of the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs), published its first question and answer (Q&A) guidance on IFRS for SMEs during the first quarter.

Q&A 2011/01 addresses whether a parent entity that itself does not have public accountability may present its separate financial statements in accordance with IFRS for SMEs if it is part of a group that is required (or elects) to present consolidated financial statements in accordance with IFRS.

All final Q&As and draft Q&As can be accessed at: <http://go.ifrs.org/IFRS+for+SMEs+QandA>.

Amendments to IAS 1 – Presentation of Financial Statements

Issued: June 2011

Summary: The amendments to IAS 1, *Presentation of Financial Statements*, require companies preparing financial statements in accordance with IFRS to group together items within other comprehensive income (OCI) that may be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.

The amendments do not address which items should be presented in OCI or which and when items should be recycled through profit or loss. However, requiring OCI to be presented as part of, or in close proximity to, the profit or loss (income) statement will make it easier for users of financial statements to assess the impact of OCI items on the overall performance of an entity and improve comparability between IFRS and U.S. GAAP.

This Update was developed jointly with the FASB. Refer to corresponding FASB standard above.

Effective Date: The amendments are effective for financial years beginning on or after July 1, 2012.

Amendments to IAS 19 – Employee Benefits

Issued: June 2011

Summary: The amendments to IAS 19, *Employee Benefits*, make important improvements by: (1) eliminating an option to defer the recognition of gains and losses, known as the 'corridor method', improving comparability and faithfulness of presentation and further aligning IFRS and U.S. GAAP; (2) streamlining the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in OCI, thereby separating those changes from changes that many perceive to be the result of an entity's day-to-day operations; and (3) enhancing the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

Effective Date: The amendments are effective for fiscal years beginning on or after January 1, 2013, with earlier application permitted.

IFRS 13 – Fair Value Measurement

Issued: May 2011

Summary: The objective of IFRS 13, *Fair Value Measurement*, is to improve consistency and reduce complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The guidance also serves to align the fair value measurement and disclosure requirements in U.S. GAAP and IFRS.

The guidance set out in IFRS 13: (1) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price); (2) sets out in a single IFRS a framework for measuring fair value; and (3) requires disclosures about fair value measurements.

This Update was developed jointly with the FASB. Refer to corresponding FASB standard above.

Effective Date: The guidance in IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

Note regarding IFRS 12, 11, 10, and the consequential amendments to IAS 28 and IAS 27: These five standards are effective for annual periods beginning on or after January 1, 2013. Earlier application of the standards is only permitted if the entire suite of these five standards is adopted at the same time, except that an entity may early adopt only the disclosure provisions for IFRS 12 without the other new standards.

IFRS 12 – *Disclosure of Interests in Other Entities*

Issued: May 2011

Summary: IFRS 12, *Disclosure of Interests in Other Entities*, is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. It enables users of financial statements to evaluate: (1) the nature of, and risks associated with, its interests in other entities; and (2) the effects of those interests on its financial position, financial performance and cash flows.

The IFRS specifies minimum disclosures that an entity must provide. If the minimum disclosures required by the IFRS are not sufficient to meet the disclosure objective, an entity discloses whatever additional information is necessary to meet that objective.

The IFRS requires an entity to consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the requirements in the IFRS. An entity shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have different characteristics.

Effective Date: The guidance in IFRS 12 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 11 – *Joint Arrangements*

Issued: May 2011

Summary: IFRS 11, *Joint Arrangements*, establishes principles for financial reporting by parties to a joint arrangement. The IFRS is to be applied by all entities that are a party to a joint arrangement. It provides a new definition of joint arrangement focusing on the rights and obligations of the arrangement, rather than its legal form. The IFRS defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (i.e. activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

IFRS 11 classifies joint arrangements into two types – joint operations and joint ventures, defines the two types, and requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement. IFRS 11 addresses the inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 21 *Interests in Joint Ventures* and SIC 13 *Jointly Controlled Entities – Non-monetary Contributions by Venturers*.

Effective Date: The guidance in IFRS 11 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IFRS 10 – *Consolidated Financial Statements*

Issued: May 2011

Summary: IFRS 10, *Consolidated Financial Statements*, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces SIC-12 *Consolidation – Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements*.

IFRS 10 defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. The IFRS sets out requirements on how to apply the control principle, including additional guidance to assist in the determination of control where this is difficult to assess. The IFRS specifies the accounting requirements for the preparation of consolidated financial statements, and refers to IFRS 12 for disclosure requirements.

Effective Date: The guidance in IFRS 10 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IAS 27 – *Separate Financial Statements*

Issued: May 2011

Summary: IAS 27, *Separate Financial Statements*, makes consequential amendments to IAS 27, *Consolidated and Separate Financial Statements*, and together with IFRS 10, replaces IAS 27, *Consolidated and Separate Financial Statements*.

IAS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements and is issued concurrently with IFRS 10.

Effective Date: The guidance in IAS 27 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

IAS 28– *Investments in Associates and Joint Ventures*

Issued: May 2011

Summary: IAS 28, *Investments in Associates and Joint Ventures*, makes consequential amendments to IAS 28, *Investments in Associates*, to describe the application of the equity method to investments in joint ventures in addition to associates.

IAS 28 prescribes the accounting treatment for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

Effective Date: The guidance in IAS 28 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

PROPOSED IASB GUIDANCE

The following section provides high level summaries of IASB proposals that were exposed or remained open for comment in the second quarter, or the comment deadline for the proposal ended during the second quarter. All proposals can be accessed on the IASB website at <http://www.iasb.org/>, located under the *Get Involved* tab, *Comment on a Proposal*.

Exposure Draft – *Improvements to IFRSs*

Issued: June 22, 2011

Comment Deadline: October 21, 2011

Summary: The IASB published for public comment an exposure draft of proposed amendments to five standards under its annual improvements project.

The IASB has addressed certain amendments to the following standards: IFRS 1, *First-time Adoption of International Financial Reporting Standards*; IAS 1, *Presentation of Financial Statements*; IAS 16, *Property, Plant and Equipment*; IAS 32, *Financial Instruments: Presentation*, and IAS 34, *Interim Financial Reporting*.

The document can be accessed at: <http://www.ifrs.org/NR/rdonlyres/BA37664E-3AE4-4C16-ADC3-E3E59CDA6091/0/EDImprovementsIFRSsJune11.pdf>.

Questions and Answers about the IFRS for SMEs

Issued/Updated: April 14, 2011

Comment Deadline: June 15, 2011

Summary: The SME Implementation Group published for public comment draft guidance on the IFRS for SMEs in the form of question and answer documents (Q&A) during the second quarter.

The three Q&As exposed for comment address the following topics, respectively: (1) captive insurance subsidiaries; (2) interpretation of “traded in a public market;” and (3) investment funds with only a few participants. The comment period closed on June 15, 2011.

The Q&A documents can be accessed at: <http://www.ifrs.org/IFRS+for+SMEs/Q+and+A+IFRS+for+SMEs.htm>.

Exposure Draft – *Offsetting Financial Assets and Financial Liabilities*

Issued: January 28, 2011

Comment Deadline: April 28, 2011

Summary: The FASB and IASB have published a proposal to establish a common approach to offsetting financial assets and financial liabilities on the statement of financial position (balance sheet).

The guidance in this ED was developed jointly with the FASB. Refer to corresponding FASB proposal above.

OTHER ACTIVITIES

IASB and FASB Report Substantial Progress Toward Completion of Convergence Program

On April 21, 2011, the FASB and the IASB issued a joint progress report on their collaborative work to improve IFRS and U.S. GAAP, and to bring about convergence of the two sets of standards. Refer to corresponding FASB summary, above.

For a more comprehensive discussion of the IASB work plan, refer to the following BDO Ac'sense upcoming and archived programs:

- Quarterly Financial Update – Q2 2011 – July 7, 2011²
<http://www.bdo.com/acsense/events/Q22011.aspx>
- IFRS Project Update – December 15, 2010
<http://www.bdo.com/acsense/events/IFRSProjectUpdate.aspx>

The current IASB work plan, last updated as of June 30, 2011, can be accessed at:
<http://www.ifrs.org/Current+Projects/IASB+Projects/IASB+Work+Plan.htm>.

² This is anticipated to be made available as an archived program in late July 2011.

▶ EFFECTIVE DATES OF U.S. ACCOUNTING PRONOUNCEMENTS

This appendix was prepared with a calendar-year end company in mind. Therefore standards with an effective date in 2010 have been included since many companies applied them for the first time in 2011, e.g., the first interim or annual period beginning on or after December 15, 2010. Standards that do not require adoption before 2012 are highlighted in gray.

PRONOUNCEMENT	EFFECTIVE DATE
ASC 220, Comprehensive Income	
ASU 2011-05 , <i>Presentation of Comprehensive Income</i>	For public entities, effective for interim and annual periods beginning after 12/15/2011. For nonpublic entities, effective for fiscal years ending after 12/15/2012, and interim and annual periods thereafter. Early adoption is permitted, because compliance with the amendments is already permitted. The amendments do not require any transition disclosures.
ASC 310, Receivables	
ASU 2010-18 , <i>Effect of a Loan Modification When the Loan Is Part of a Pool That Is Accounted for as a Single Asset</i>	Effective for modifications of loans accounted for within a pool occurring in the first interim or annual period ending on or after 7/15/2010. The amendments should be applied prospectively. Early application is permitted.
ASU 2010-20 , <i>Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses</i>	ASU 2011-01 temporarily delayed the effective date of ASU 2010-20 for public companies, while the Board completes its deliberations on what constitutes a TDR for a creditor. The effective date of the new disclosures about TDRs for public entities and the guidance for determining what constitutes a TDR will then be coordinated. Currently, the forthcoming guidance is anticipated to be effective for interim and annual periods ending after June 15, 2011. For nonpublic entities, the disclosures required by ASU 2010-20 are effective for annual reporting periods ending on or after 12/15/2011.
ASU 2011-01 , <i>Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20</i>	The deferral in this amendment is effective upon issuance (January, 2011) for public entities. The ASU does not affect nonpublic entities.
ASU 2011-02 , <i>A Creditor's Determination of Whether a Restructuring Is a Troubled Debt Restructuring</i>	Effective for public entities for the first interim or annual period beginning on or after 6/15/2011, and should be applied retrospectively to modifications occurring on or after the beginning of the annual period of adoption. Effective for nonpublic entities for annual periods ending on or after 12/15/2012, including interim periods within those annual periods. Early adoption is permitted for public and nonpublic entities, with certain stipulations for nonpublic entities.
ASC 350, Intangibles – Goodwill and Other	
ASU 2010-28 , <i>When to Perform Step 2 of the Goodwill Impairment Test for Reporting Units with Zero or Negative Carrying Amounts</i>	Effective for public entities for fiscal years, and interim periods within those years, beginning after 12/15/2010. Early adoption is not permitted. Effective for nonpublic entities for fiscal years, and interim periods within those years, beginning after 12/15/2011. Nonpublic entities may elect early adoption using the same effective date as public entities.
ASC 605-25, Revenue Recognition, Multiple-Element Arrangements	
ASU 2009-13 , <i>Multiple-Deliverable Revenue Arrangements</i>	Effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after 6/15/2010. Early application is permitted.

PRONOUNCEMENT	EFFECTIVE DATE
ASU 2010-17, Milestone Method of Revenue Recognition	Effective prospectively for milestones achieved in fiscal years, and interim periods within those years, beginning on or after 6/15/2010. Early adoption is permitted. If a vendor elects early adoption and the period of adoption is not the beginning of the entity's fiscal year, the entity should apply the amendments retrospectively from the beginning of the year of adoption. Additionally, a vendor electing early adoption should disclose certain information specified in the ASU for all previously reported interim periods in the fiscal year of adoption. A vendor may elect, but is not required, to adopt the amendments in the ASU retrospectively for all prior periods.
ASC 718, Stock Compensation	
ASU 2010-05, Escrowed Share Arrangements and the Presumption of Compensation	Effective immediately on issuance in January, 2010 for all SEC registrants.
ASU 2010-13, Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades	Effective for fiscal years, and interim periods within those fiscal years, beginning on or after 12/15/2010. The amendments should be applied by recording a cumulative-effect adjustment to the opening balance of retained earnings for all awards outstanding as of the beginning of the annual period in which the Update is adopted. Early application is permitted.
ASC 720, Other Expenses	
ASU 2010-27, Fees Paid to the Federal Government by Pharmaceutical Manufacturers	Effective for calendar years beginning after 12/31/2010, when the fee initially becomes effective.
ASC 740, Income Taxes	
ASU 2010-12, Accounting for Certain Tax Effects of the 2010 Health Care Reform Acts	Effective immediately upon issuance on 4/14/2010.
ASC 805, Business Combinations	
ASU 2010-29, Disclosure of Supplementary Pro Forma Information for Business Combinations	Effective for public entities prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 12/15/2010. Early application is permitted.
ASC 815, Derivatives and Hedging	
ASU 2010-11, Scope Exception Related to Embedded Credit Derivatives	Effective for interim periods beginning after 6/15/2010. Early application permitted for the first interim period after 3/5/2010.
ASC 820, Fair Value Measurements and Disclosures	
ASU 2010-06, Improving Disclosures about Fair Value Measurements	Effective for interim and annual periods beginning after 12/15/2009; except for the requirement to separately disclose amounts in the Level 3 rollforward on a gross basis, which is effective for interim and annual periods beginning after 12/15/2010. Early application is permitted.
ASU 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs	The amendments in this Update are to be applied prospectively. For public entities, the amendments are effective during interim and annual periods beginning after 12/15/2011; early application is not permitted. For nonpublic entities, the amendments are effective for annual periods beginning after 12/15/2011. Nonpublic entities may apply the amendments in this Update early, but no earlier than for interim periods beginning after 12/15/2011.
ASC 830, Foreign Currency Matters	
ASU 2010-19, Foreign Currency Issues: Multiple Foreign Currency Exchange Rates	Effective upon SEC Staff Announcement made at the 3/18/2010 meeting of the FASB Emerging Issues Task Force.
ASC 855, Subsequent Events	
ASU 2010-09, Amendments to Certain Recognition and Disclosure Requirements	Effective upon issuance in February, 2010, except that for conduit bond obligors the requirement to use the issued date is deferred until interim and annual periods ending after 6/15/2010.
ASC 860, Transfers and Servicing	
ASU 2011-03, Reconsideration of Effective Control for Repurchase Agreements	Effective for all entities, both public and nonpublic, for the first interim or annual period beginning on or after 12/15/2011. The guidance should be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. Early adoption is not permitted

PRONOUNCEMENT	EFFECTIVE DATE
ASC 924-605, Casinos-Revenue Recognition	
ASU 2010-16 , <i>Accruals for Casino Jackpot Liabilities</i>	Effective for fiscal years, and interim periods within those fiscal years, beginning on or after 12/15/2010. The amendments should be applied prospectively with a cumulative-effect adjustment reflected in retained earnings. Early application is permitted. If an entity elects early adoption and the period of adoption is not the beginning of the entity's fiscal year, the entity should apply the amendments retrospectively from the beginning of the year of adoption.
ASC 932, Extractive Activities – Oil and Gas	
ASU 2010-14 , <i>Accounting for Extractive Activities – Oil & Gas</i>	Effective upon issuance on 4/20/2010.
ASC 944, Financial Services – Insurance	
ASU 2010-15 , <i>How Investments Held through Separate Accounts Affect an Insurer's Consolidation Analysis of Those Investments</i>	Effective for fiscal years, and interim periods within those fiscal years, beginning after 12/15/2010. The amendments should be applied retrospectively to all prior periods upon the date of adoption. Early application is permitted.
ASU 2010-26 , <i>Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts</i>	Effective for fiscal years, and interim periods within those fiscal years, beginning after 12/15/2011 through prospective adoption. Retrospective application for all periods presented is permitted. Early adoption is permitted, but only at the beginning of an entity's annual reporting period.
ASC 954, Health Care Entities	
ASU 2010-23 , <i>Measuring Charity Care for Disclosure</i>	Effective for fiscal years beginning after 12/15/2010. The amendments should be applied retrospectively to all prior periods presented. Early application is permitted.
ASU 2010-24 , <i>Presentation of Insurance Claims and Related Insurance Recoveries</i>	Effective for fiscal years, and interim periods within those years, beginning after 12/15/2010. A cumulative-effect adjustment should be recognized in opening retained earnings in the period of adoption if a difference exists between any liabilities and insurance receivables recorded as a result of applying the amendments. Early adoption and retrospective application are permitted.
ASC 962, Plan Accounting-Defined Contribution Pension Plans	
ASU 2010-25 , <i>Reporting Loans to Participants by Defined Contribution Pension Plans</i>	Effective for fiscal years ending after 12/15/2010. The amendments should be applied retrospectively to all prior periods presented. Early adoption is permitted.
ASC 985-605, Software, Revenue Recognition	
ASU 2009-14 , <i>Certain Revenue Arrangements That Include Software Elements</i>	Effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after 6/15/2010. Early application is permitted.
Other	
ASU 2010-04 , <i>Accounting for Various Topics- Technical Corrections to SEC Paragraphs</i>	Effective immediately on issuance in January, 2010 for SEC registrants.
ASU 2010-21 , <i>Accounting for Technical Amendments to Various SEC Rules and Schedules Amendments to SEC Paragraphs Pursuant to Release No. 33-9026: Technical Amendments to Rules, Forms, Schedules and Codification of Financial Reporting Policies (SEC Update)</i>	Effective immediately on issuance in August, 2010 for SEC registrants.
ASU 2010-22 , <i>Accounting for Various Topics – Technical Corrections to SEC Paragraphs (SEC Update)</i>	Effective immediately on issuance in August, 2010 for SEC registrants.

▶ BDO RESOURCES FOR CLIENTS AND CONTACTS

The following is a sample of recent BDO thought leadership materials that may be of interest. For additional publications and resources, please refer to: <http://www.bdo.com/publications/assurance/>

BDO AC'SENSESM UPCOMING WEBINAR EVENTS AND ARCHIVES

Please check <http://www.bdo.com/acsense/> for current and upcoming programs.

Upcoming Webinars

- **NEW!** Effective Audit Committees in the Ever Changing Marketplace – July 21, 2011
<http://www.bdo.com/acsense/events/EffectiveAuditCommittees.aspx>

Archives

- **NEW!** Quarterly Financial Update – Q2 2011 – July 7, 2011³
<http://www.bdo.com/acsense/events/Q22011.aspx>
- **NEW!** Mergers & Acquisitions: Opportunities and Obstacles in a Recovering Marketplace – May 16, 2011
<http://www.bdo.com/acsense/events/MA.aspx>
- **NEW!** FCPA Series: Doing Business Abroad – Spotlight on China – April 28, 2011
<http://www.bdo.com/acsense/events/FCPACHina.aspx>
- **NEW!** Quarterly Financial Update – Q1 2011 – April 6, 2011
<http://www.bdo.com/acsense/events/Q12011.aspx>
- Uncertain Tax Positions – Planning for New IRS Schedule – March 23, 2011
<http://www.bdo.com/acsense/events/TaxPositions.aspx>
- Quarterly Financial Update – Q4 2010 – January 7, 2011
<http://www.bdo.com/acsense/events/Q42010.aspx>
- IFRS Project Update – December 15, 2010
<http://www.bdo.com/acsense/events/IFRSProjectUpdate.aspx>
- Internal Investigations – November 9, 2010
<http://www.bdo.com/acsense/events/InternalInvestigations.aspx>
- Quarterly Financial Update – Q3 2010 – October 8, 2010
<http://www.bdo.com/acsense/events/Q32010.aspx>
- Focus on Fraud – Lessons Learned – August 31, 2010
<http://www.bdo.com/acsense/events/Focus%20on%20Fraud%20-%20Lessons%20Learned.aspx>
- IFRS Share-Based Payments – August 19, 2010
<http://www.bdo.com/acsense/events/IFRS%20Share-Based%20Payments.aspx>
- Quarterly Financial Reporting Technical Update (Q2 2010) – June 25, 2010
<http://www.bdo.com/acsense/events/Quarterly-Financial-Reporting-Update June25.aspx>

³ Expected to become available as an archived program in late July 2011

- SaaS Revenue Recognition – June 1, 2010
<http://www.bdo.com/acsense/events/SaaS-Revenue-Recognition-June01.aspx>
- Mergers & Acquisitions: Addressing Current Trends and Risks – May 20, 2010
<http://www.bdo.com/acsense/events/MergersAcquisitions-May20.aspx>
- IFRS Taxation – May 6, 2010
<http://www.bdo.com/acsense/events/IFRS-Taxation-May10.aspx>
- Quarterly Financial Reporting Technical Update (Q1 2010) – April 16, 2010
<http://www.bdo.com/acsense/events/q12010.aspx>
- Applying New Revenue Recognition Rules – March 16, 2010
<http://www.bdo.com/acsense/events/newrevenue.aspx>
- Compensation Risk – SEC's Enhanced Disclosure Requirements – February 18, 2010
<http://www.bdo.com/acsense/events/compensationrisk.aspx>
- IFRS vs. IFRS for SMEs – January 19, 2010
<http://www.bdo.com/acsense/events/IFRSvsIFRSforSMEs-Jan10.aspx>

BDO CLIENT ADVISORIES

<http://www.bdo.com/publications/assurance/>

- Effective Audit Committees in the Ever Changing Marketplace (2011) accessible at: <http://www.bdo.com/acsense/effective.aspx>
- The BDO 600 – 2010-2011 Survey of Board Compensation Practices of 600 Mid-Market Public Companies (11/16/2010)

BDO FINANCIAL REPORTING LETTERS & FLASH REPORTS

<http://www.bdo.com/publications/assurance/>

- **NEW!** BDO Knows: Contingent Consideration (6/13/2011)
- **NEW!** BDO Flash Reports - Flash reports are intended to highlight certain financial reporting developments in a timely and brief "flash" format.
- Accounting Year in Review – 2010 (1/13/2011)
- Report on 2010 AICPA SEC and PCAOB Conference (1/13/2011)
- SEC Year in Review – Significant 2010 Developments (1/13/2011)
- SEC's Progress Report on Work Plan for Global Accounting Standards (11/12/2010)
- BDO Knows: Variable Interest Entities (9/1/10)
- BDO Knows: Complex Financial Instruments (6/1/10)
- SEC Releases Statement in Support of Convergence and Global Accounting Standards (3/4/10)
- Revised Revenue Rules May Change the Way You Do Business (2/25/10)

BDO IFRS RESOURCE CENTER

<http://www.bdo.com/ifrs/>

Refer to the above website to keep current on the latest developments with regard to International Financial Reporting Standards (IFRS) and the practical considerations involved in the convergence toward and implementation of global standards.

See also:

BDO Knows: IFRS – SEC's Progress Report on Work Plan for Global Accounting Standards accessible at: <http://www.bdo.com/download/1508>

BDO Knows: IFRS – SEC Seeks Comments on Incorporation of IFRS accessible at: <http://www.bdo.com/download/1442>



Lumsden & McCormick, LLP is an independent member of the BDO Seidman Alliance.

Please contact us with questions regarding the contents of this newsletter.

Sherry L. DelleBovi, CPA
sdellebovi@lumsdencpa.com

Michael J. Grimaldi, CPA
mgrimaldi@lumsdencpa.com

James M. Dunn, CPA
jdunn@lumsdencpa.com

Stephen T. LoVullo, CPA
slovullo@lumsdencpa.com

Donna M. Gonser, CPA
dgonser@lumsdencpa.com

John P. Schiavone, CPA
jschiavone@lumsdencpa.com

BDO is the brand name for BDO USA, LLP, a U.S. professional services firm providing assurance, tax, financial advisory and consulting services to a wide range of publicly traded and privately held companies. For 100 years, BDO has provided quality service through the active involvement of experienced and committed professionals. The firm serves clients through 40 offices and more than 400 independent alliance firm locations nationwide. As an independent Member Firm of BDO International Limited, BDO serves multinational clients through a global network of 1,082 offices in 119 countries.

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms. For more information, please visit: www.bdo.com.

© 2011 BDO USA, LLP. All rights reserved. www.bdo.com