



ENERGY AND NATURAL RESOURCES

IFRS Insights and Issues

KPMG LLP

AUDIT ■ TAX ■ ADVISORY

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Houston, Texas
May 12 – 13, 2009

Agenda

◆ Regulatory Update (SEC, IASB)

- IFRS Roadmap and Comment Letters
- IASB Work Program until 2011

◆ Approaches and Insights related to IFRS Transitions

Concurrent Session III-A

4:00 p.m. – 5:15 p.m.

IFRS Insights and Issues

KPMG Moderator: Ted Brooks, Partner, *KPMG LLP*

Angela Butler

Vice President and Controller, *Husky Energy*

Jimmy Daboo

Partner, *KPMG (U.K.)*

Glenn Menuz

Vice President and Controller,
TransCanada Corporation

Jon Wierda

Advisory Partner, *KPMG LLP*



Regulatory Update

◆ SEC Roadmap Proposal

- Issued November 2008. Identified “milestones” to be achieved before IFRS decision. Comment deadline was April 20, 2009
 - Potential SEC decision in 2011, with potential IFRS adoption in 2014 to 2016 depending on filing status.
 - As of April 20, there were 175 comment letters received

Regulatory Update

◆ Comment Letters Received

- 45% of letters were from preparers
- Only 3 letters were received from Users / Analysts
- Other respondents included auditors, academics, professional organizations and other regulators

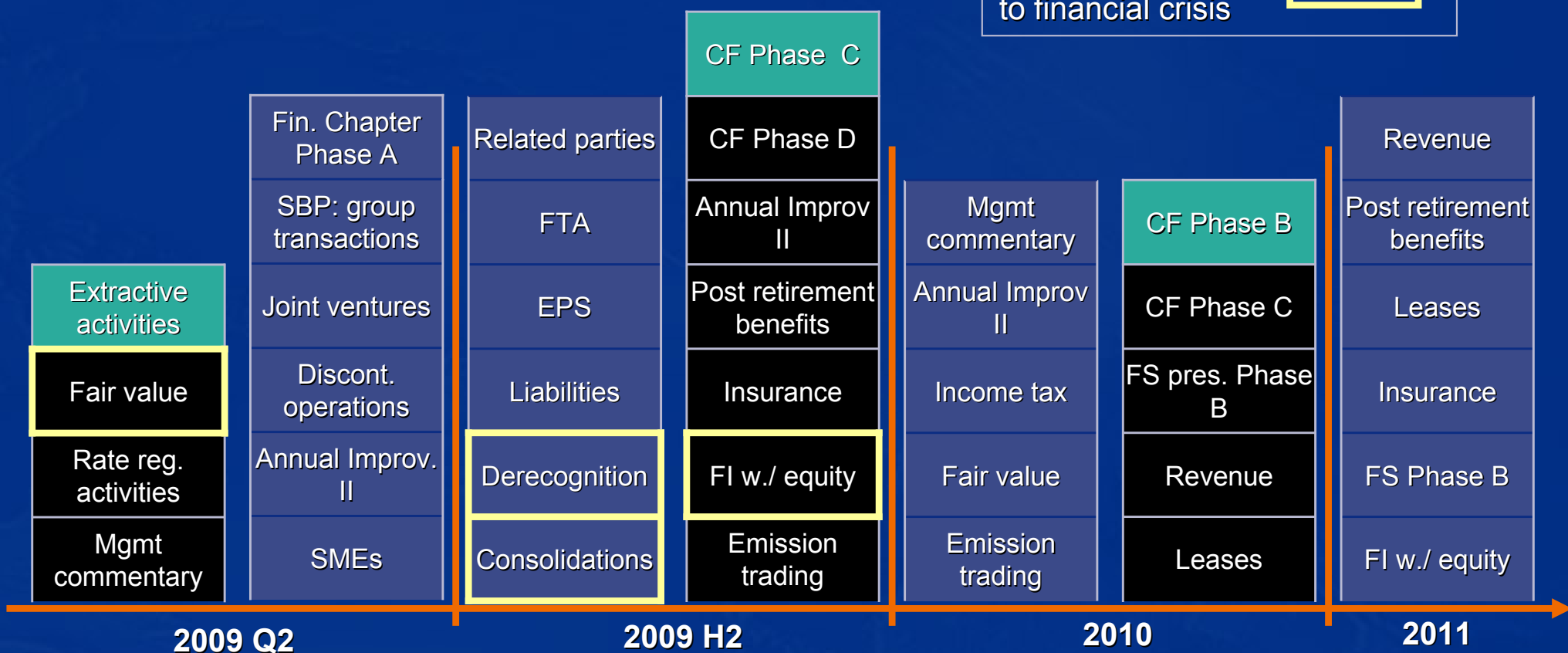
Regulatory Update

◆ Comment Letter Themes

- Constituents expressed views across the spectrum
 - From **no** support to **complete** support
 - In between, views ranged from **conversion** to **convergence**
 - Common view among many respondents was a goal of a worldwide use of a single set of high quality standards
 - Comments focused on capital markets, quality, cost vs. benefit

IASB Work Program until 2011

Discussion Paper
 Exposure Draft
 Final Standard
 Priority response
 to financial crisis



IASB Work Program until 2011

- ◆ **Several projects may have a significant impact on the energy industry**
 - Exposure Draft on Regulated Activities
 - Extractive Activities Research Project
 - Final standard on Joint Ventures

Approaches and Insights into IFRS Transitions

Approaching a Transition to IFRS

◆ Why consider now ?

- Control the agenda

◆ Transition Phases

- Assess Impact

- Identify GAAP differences, assess impact to IT and key business areas, milestone conversion plan

Approaching a Transition to IFRS

◆ Transition Phases

- Design and Execute Conversion Plan
 - Establish project management structure, build detailed conversion plan
 - Develop communication plan and training for internal and external stakeholders
 - Design process and controls to support conversion

Approaching a Transition to IFRS

◆ Transition Phases

– Implementation

- Produce financial statements based on new standards
- Roll out new processes and controls
- Manage business on a new basis of standards

KPMG's IFRS Institute

- ◆ Visit and join KPMG's IFRS Institute
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 - Webcasts
 - News
 - Publications
- ◆ www.kpmgifrsinstitute.com

Presenter's contact details

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