

Commission Regulation (EC) No 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council (Text with EEA relevance) (revoked)

- Article 1 The international accounting standards, as defined in Article 2 of...
- Article 2 Regulation (EC) No 1725/2003 is hereby repealed. References to the...
- Article 3 This Regulation shall enter into force on the third day...  
Signature

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## ANNEX

### INTERNATIONAL ACCOUNTING STANDARDS

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### INTERNATIONAL ACCOUNTING STANDARD 1

#### Presentation of Financial Statements

#### OBJECTIVE

- 1 This Standard prescribes the basis for presentation of general purpose...

#### SCOPE

- 2 An entity shall apply this Standard in preparing and presenting...
- 3 Other IFRSs set out the recognition, measurement and disclosure requirements...
- 4 This Standard does not apply to the structure and content...
- 5 This Standard uses terminology that is suitable for profit-oriented entities,...
- 6 Similarly, entities that do not have equity as defined in...

#### DEFINITIONS

- 7 The following terms are used in this Standard with the...
- 8 Although this Standard uses the terms ' other comprehensive income...
- 8A The following terms are described in IAS 32 Financial Instruments:...

#### FINANCIAL STATEMENTS

##### Purpose of financial statements

- 9 Financial statements are a structured representation of the financial position...

##### Complete set of financial statements

- 10 A complete set of financial statements comprises :
- 10A An entity may present a single statement of profit or...
- 11 An entity shall present with equal prominence all of the...
- 12 .....

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- 13 Many entities present, outside the financial statements, a financial review...
- 14 Many entities also present, outside the financial statements, reports and...
- General features
- Fair presentation and compliance with IFRSs
- 15 Financial statements shall present fairly the financial position, financial performance...
- 16 An entity whose financial statements comply with IFRSs shall make...
- 17 In virtually all circumstances, an entity achieves a fair presentation...
- 18 An entity cannot rectify inappropriate accounting policies either by disclosure...
- 19 In the extremely rare circumstances in which management concludes that...
- 20 When an entity departs from a requirement of an IFRS...
- 21 When an entity has departed from a requirement of an...
- 22 Paragraph 21 applies, for example, when an entity departed in...
- 23 In the extremely rare circumstances in which management concludes that...
- 24 For the purpose of paragraphs 19–23, an item of information...
- Going concern
- 25 When preparing financial statements, management shall make an assessment of...
- 26 In assessing whether the going concern assumption is appropriate, management...
- Accrual basis of accounting
- 27 An entity shall prepare its financial statements, except for cash...
- 28 When the accrual basis of accounting is used, an entity...
- Materiality and aggregation
- 29 An entity shall present separately each material class of similar...
- 30 Financial statements result from processing large numbers of transactions or...
- 30A When applying this and other IFRSs an entity shall decide,...
- 31 Some IFRSs specify information that is required to be included...
- Offsetting
- 32 An entity shall not offset assets and liabilities or income...
- 33 An entity reports separately both assets and liabilities, and income...
- 34 IFRS 15 Revenue from Contracts with Customers requires an entity...
- 35 In addition, an entity presents on a net basis gains...
- Frequency of reporting
- 36 An entity shall present a complete set of financial statements...
- 37 Normally, an entity consistently prepares financial statements for a one-year...
- Comparative information
- Minimum comparative information

- 38 Except when IFRSs permit or require otherwise, an entity shall...
- 38A An entity shall present, as a minimum, two statements of...
- 38B In some cases, narrative information provided in the financial statements...
- Additional comparative information
- 38C An entity may present comparative information in addition to the...
- 38D For example, an entity may present a third statement of...
- 39 An entity disclosing comparative information shall present, as a minimum,...
- 40 . . . . .
- Change in accounting policy, retrospective restatement or reclassification
- 40A An entity shall present a third statement of financial position...
- 40B In the circumstances described in paragraph 40A, an entity shall...
- 40C When an entity is required to present an additional statement...
- 40D The date of that opening statement of financial position shall...
- 41 If an entity changes the presentation or classification of items...
- 42 When it is impracticable to reclassify comparative amounts, an entity...
- 43 Enhancing the inter-period comparability of information assists users in making...
- 44 IAS 8 sets out the adjustments to comparative information required...
- Consistency of presentation
- 45 An entity shall retain the presentation and classification of items...
- 46 For example, a significant acquisition or disposal, or a review...

## STRUCTURE AND CONTENT

### Introduction

47 This Standard requires particular disclosures in the statement of financial...

48 This Standard sometimes uses the term ‘ disclosure ’ in...

### Identification of the financial statements

49 An entity shall clearly identify the financial statements and distinguish...

50 IFRSs apply only to financial statements, and not necessarily to...

51 An entity shall clearly identify each financial statement and the...

52 An entity meets the requirements in paragraph 51 by presenting...

53 An entity often makes financial statements more understandable by presenting...

### Statement of financial position

Information to be presented in the statement of financial position...

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- 54 The statement of financial position shall include line items that...
- 55 An entity shall present additional line items (including by disaggregating...
- 55A When an entity presents subtotals in accordance with paragraph 55,...
- 56 When an entity presents current and non-current assets, and current...
- 57 This Standard does not prescribe the order or format in...
- 58 An entity makes the judgement about whether to present additional...
- 59 The use of different measurement bases for different classes of...
- Current/non-current distinction
- 60 An entity shall present current and non-current assets, and current...
- 61 Whichever method of presentation is adopted, an entity shall disclose...
- 62 When an entity supplies goods or services within a clearly...
- 63 For some entities, such as financial institutions, a presentation of...
- 64 In applying paragraph 60, an entity is permitted to present...
- 65 Information about expected dates of realisation of assets and liabilities...
- Current assets
- 66 An entity shall classify an asset as current when:
- 67 This Standard uses the term ' non-current ' to include...
- 68 The operating cycle of an entity is the time between...
- Current liabilities
- 69 An entity shall classify a liability as current when:
- 70 Some current liabilities, such as trade payables and some accruals...
- 71 Other current liabilities are not settled as part of the...
- 72 An entity classifies its financial liabilities as current when they...
- 73 If an entity expects, and has the discretion, to refinance...
- 74 When an entity breaches a provision of a long-term loan...
- 75 However, an entity classifies the liability as non-current if the...
- 76 In respect of loans classified as current liabilities, if the...
- Information to be presented either in the statement of financial...
- 77 An entity shall disclose, either in the statement of financial...
- 78 The detail provided in subclassifications depends on the requirements of...
- 79 An entity shall disclose the following, either in the statement...
- 80 An entity without share capital, such as a partnership or...
- 80A If an entity has reclassified
- Statement of profit or loss and other comprehensive income
- 81 An entity shall present all items of income and expense...
- 81A The statement of profit or loss and other comprehensive income...
- 81B An entity shall present the following items, in addition to...  
Information to be presented in profit or loss section or...
- 82 In addition to items required by other IFRSs, the profit...

- Information to be presented in the other comprehensive income section...
- 82A The other comprehensive income section shall present line items for...
- 83 An entity shall disclose the following items in the statement...
- 84 . . . . .
- 85 An entity shall present additional line items (including by disaggregating...
- 85A When an entity presents subtotals in accordance with paragraph 85,...
- 85B An entity shall present the line items in the statement(s)...
- 86 Because the effects of an entity's various activities, transactions and...
- 87 An entity shall not present any items of income or...  
Profit or loss for the period
- 88 An entity shall recognise all items of income and expense...
- 89 Some IFRSs specify circumstances when an entity recognises particular items...
- Other comprehensive income for the period
- 90 An entity shall disclose the amount of income tax relating...
- 91 An entity may present items of other comprehensive income either:...
- 92 An entity shall disclose reclassification adjustments relating to components of...
- 93 Other IFRSs specify whether and when amounts previously recognised in...
- 94 An entity may present reclassification adjustments in the statement(s) of...
- 95 Reclassification adjustments arise, for example, on disposal of a foreign...
- 96 Reclassification adjustments do not arise on changes in revaluation surplus...
- Information to be presented in the statement(s) of profit or...
- 97 When items of income or expense are material, an entity...
- 98 Circumstances that would give rise to the separate disclosure of...
- 99 An entity shall present an analysis of expenses recognised in...
- 100 Entities are encouraged to present the analysis in paragraph 99...
- 101 Expenses are subclassified to highlight components of financial performance that...
- 102 The first form of analysis is the 'nature of expense'...
- 103 The second form of analysis is the 'function of expense'...
- 104 An entity classifying expenses by function shall disclose additional information...
- 105 The choice between the function of expense method and the...
- Statement of changes in equity
- Information to be presented in the statement of changes in...
- 106 An entity shall present a statement of changes in equity...
- Information to be presented in the statement of changes in...
- 106A For each component of equity an entity shall present, either...
- 107 An entity shall present, either in the statement of changes...
- 108 In paragraph 106, the components of equity include, for example,...

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- 109 Changes in an entity's equity between the beginning and the...
- 110 IAS 8 requires retrospective adjustments to effect changes in  
accounting...
- Statement of cash flows
- 111 Cash flow information provides users of financial statements with a...
- Notes
- Structure
- 112 The notes shall:
- 113 An entity shall, as far as practicable, present notes in...
- 114 Examples of systematic ordering or grouping of the notes  
include:...
- 115 . . . . .
- 116 An entity may present notes providing information about the  
basis...
- Disclosure of accounting policies
- 117 An entity shall disclose its significant accounting policies  
comprising:
- 118 It is important for an entity to inform users of...
- 119 In deciding whether a particular accounting policy should be  
disclosed,...
- 120 . . . . .
- 121 An accounting policy may be significant because of the  
nature...
- 122 An entity shall disclose, along with its significant accounting  
policies...
- 123 In the process of applying the entity's accounting policies,  
management...
- 124 Some of the disclosures made in accordance with paragraph  
122...
- Sources of estimation uncertainty
- 125 An entity shall disclose information about the assumptions it  
makes...
- 126 Determining the carrying amounts of some assets and  
liabilities requires...
- 127 The assumptions and other sources of estimation uncertainty  
disclosed in...
- 128 The disclosures in paragraph 125 are not required for assets...
- 129 An entity presents the disclosures in paragraph 125 in a...
- 130 This Standard does not require an entity to disclose budget...
- 131 Sometimes it is impracticable to disclose the extent of the...
- 132 The disclosures in paragraph 122 of particular judgements that  
management...
- 133 Other IFRSs require the disclosure of some of the  
assumptions...
- Capital
- 134 An entity shall disclose information that enables users of its...
- 135 To comply with paragraph 134, the entity discloses the  
following:...
- 136 An entity may manage capital in a number of ways...
- Puttable financial instruments classified as equity
- 136A For puttable financial instruments classified as equity  
instruments, an entity...
- Other disclosures

- 137 An entity shall disclose in the notes:
- 138 An entity shall disclose the following, if not disclosed elsewhere...

#### TRANSITION AND EFFECTIVE DATE

- 139 An entity shall apply this Standard for annual periods beginning...
- 139A IAS 27 (as amended by the International Accounting Standards Board...
- 139B Puttable Financial Instruments and Obligations Arising on Liquidation (Amendments to...
- 139C Paragraphs 68 and 71 were amended by Improvements to IFRSs...
- 139D Paragraph 69 was amended by Improvements to IFRSs issued in...
- 139F Paragraphs 106 and 107 were amended and paragraph 106A was...
- 139H IFRS 10 and IFRS 12, issued in May 2011, amended...
- 139I IFRS 13, issued in May 2011, amended paragraphs 128 and...
- 139J Presentation of Items of Other Comprehensive Income (Amendments to IAS...
- 139K IAS 19 Employee Benefits (as amended in June 2011) amended...
- 139L Annual Improvements 2009–2011 Cycle, issued in May 2012, amended...
- 139N IFRS 15 Revenue from Contracts with Customers, issued in...
- 139O IFRS 9, as issued in July 2014, amended paragraphs 7,...
- 139P Disclosure Initiative (Amendments to IAS 1), issued in December 2014,...
- 139Q IFRS 16 Leases, issued in January 2016, amended paragraph...
- 139S Amendments to References to the Conceptual Framework in IFRS Standards...
- 139T Definition of Material (Amendments to IAS 1 and IAS 8),...

#### WITHDRAWAL OF IAS 1 (REVISED 2003)

- 140 This Standard supersedes IAS 1 Presentation of Financial Statements revised...

## INTERNATIONAL ACCOUNTING STANDARD 2

### Inventories

#### OBJECTIVE

- 1 The objective of this standard is to prescribe the accounting...

#### SCOPE

- 2 This Standard applies to all inventories, except:
- 3 This standard does not apply to the measurement of inventories...
- 4 The inventories referred to in paragraph 3(a) are measured at...
- 5 Broker-traders are those who buy or sell commodities for others...

#### DEFINITIONS

- 6 The following terms are used in this standard with the...
- 7 Net realisable value refers to the net amount that an...
- 8 Inventories encompass goods purchased and held for resale including, for...

#### MEASUREMENT OF INVENTORIES

- 9 Inventories shall be measured at the lower of cost and...
  - Cost of inventories
    - 10 The cost of inventories shall comprise all costs of purchase,...
    - Costs of purchase
      - 11 The costs of purchase of inventories comprise the purchase price,...

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- Costs of conversion
  - 12 The costs of conversion of inventories include costs directly related...
  - 13 The allocation of fixed production overheads to the costs of...
  - 14 A production process may result in more than one product...
- Other costs
  - 15 Other costs are included in the cost of inventories only...
  - 16 Examples of costs excluded from the cost of inventories and...
  - 17 IAS 23 Borrowing costs identifies limited circumstances where borrowing costs...
  - 18 An entity may purchase inventories on deferred settlement terms. When...
- Cost of inventories of a service provider
  - 19 To the extent that service providers have inventories, they measure...
- Cost of agricultural produce harvested from biological assets
  - 20 In accordance with IAS 41 Agriculture inventories comprising agricultural produce...
- Techniques for the measurement of cost
  - 21 Techniques for the measurement of the cost of inventories, such...
  - 22 The retail method is often used in the retail industry...
- Cost formulas
  - 23 The cost of inventories of items that are not ordinarily...
  - 24 Specific identification of cost means that specific costs are attributed...
  - 25 The cost of inventories, other than those dealt with in...
  - 26 For example, inventories used in one operating segment may have...
  - 27 The FIFO formula assumes that the items of inventory that...
- Net realisable value
  - 28 The cost of inventories may not be recoverable if those...
  - 29 Inventories are usually written down to net realisable value item...
  - 30 Estimates of net realisable value are based on the most...
  - 31 Estimates of net realisable value also take into consideration the...
  - 32 Materials and other supplies held for use in the production...
  - 33 A new assessment is made of net realisable value in...

#### RECOGNITION AS AN EXPENSE

- 34 When inventories are sold, the carrying amount of those inventories...
- 35 Some inventories may be allocated to other asset accounts, for...

#### DISCLOSURE

- 36 The financial statements shall disclose:
- 37 Information about the carrying amounts held in different classifications of...
- 38 The amount of inventories recognised as an expense during the...
- 39 Some entities adopt a format for profit or loss that...

#### EFFECTIVE DATE

- 40 An entity shall apply this standard for annual periods beginning...
- 40C IFRS 13, issued in May 2011, amended the definition of...
- 40E IFRS 15 Revenue from Contracts with Customers, issued in...
- 40F IFRS 9, as issued in July 2014, amended paragraphs 2...
- 40G IFRS 16 Leases, issued in January 2016, amended paragraph...



## WITHDRAWAL OF OTHER PRONOUNCEMENTS

- 41 This standard supersedes IAS 2 Inventories (revised in 1993).
- 42 This standard supersedes SIC-1 Consistency — different cost formulas for...

## INTERNATIONAL ACCOUNTING STANDARD 7

### Statement of Cash Flows

#### OBJECTIVE

#### SCOPE

- 1 An entity shall prepare a statement of cash flows in...
- 2 This standard supersedes IAS 7 Statement of changes in financial...
- 3 Users of an entity's financial statements are interested in how...

#### BENEFITS OF CASH FLOW INFORMATION

- 4 A statement of cash flows, when used in conjunction with...
- 5 Historical cash flow information is often used as an indicator...

#### DEFINITIONS

- 6 The following terms are used in this standard with the...
  - Cash and cash equivalents
  - 7 Cash equivalents are held for the purpose of meeting short-term...
  - 8 Bank borrowings are generally considered to be financing activities. However,...
  - 9 Cash flows exclude movements between items that constitute cash or...

#### PRESENTATION OF A STATEMENT OF A CASH FLOWS

- 10 The statement of cash flows shall report cash flows during...
- 11 An entity presents its cash flows from operating, investing and...
- 12 A single transaction may include cash flows that are classified...
  - Operating activities
  - 13 The amount of cash flows arising from operating activities is...
  - 14 Cash flows from operating activities are primarily derived from the...
  - 15 An entity may hold securities and loans for dealing or...
  - Investing activities
  - 16 The separate disclosure of cash flows arising from investing activities...
  - Financing activities
  - 17 The separate disclosure of cash flows arising from financing activities...

#### REPORTING CASH FLOWS FROM OPERATING ACTIVITIES

- 18 An entity shall report cash flows from operating activities using...
- 19 Entities are encouraged to report cash flows from operating activities...
- 20 Under the indirect method, the net cash flow from operating...

#### REPORTING CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES

- 21 An entity shall report separately major classes of gross cash...

#### REPORTING CASH FLOWS ON A NET BASIS

- 22 Cash flows arising from the following operating, investing or financing...
- 23 Examples of cash receipts and payments referred to in paragraph...

24 Cash flows arising from each of the following activities of...

#### FOREIGN CURRENCY CASH FLOWS

25 Cash flows arising from transactions in a foreign currency shall...

26 The cash flows of a foreign subsidiary shall be translated...

27 Cash flows denominated in a foreign currency are reported in...

28 Unrealised gains and losses arising from changes in foreign currency...

29 [Deleted]

30 [Deleted]

#### INTEREST AND DIVIDENDS

31 Cash flows from interest and dividends received and paid shall...

32 The total amount of interest paid during a period is...

33 Interest paid and interest and dividends received are usually classified...

34 Dividends paid may be classified as a financing cash flow...

#### TAXES ON INCOME

35 Cash flows arising from taxes on income shall be separately...

36 Taxes on income arise on transactions that give rise to...

#### INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

37 When accounting for an investment in an associate, a joint...

38 An entity that reports its interest in an associate or...

#### CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES AND OTHER BUSINESSES

39 The aggregate cash flows arising from obtaining or losing control...

40 An entity shall disclose, in aggregate, in respect of both...

40A An investment entity, as defined in IFRS 10 Consolidated Financial...

41 The separate presentation of the cash flow effects of obtaining...

42 The aggregate amount of the cash paid or received as...

42A Cash flows arising from changes in ownership interests in a...

42B Changes in ownership interests in a subsidiary that do not...

#### NON-CASH TRANSACTIONS

43 Investing and financing transactions that do not require the use...

44 Many investing and financing activities do not have a direct...

#### CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

44A An entity shall provide disclosures that enable users of financial...

44B To the extent necessary to satisfy the requirement in paragraph...

44C Liabilities arising from financing activities are liabilities for which cash...

44D One way to fulfil the disclosure requirement in paragraph 44A...

44E If an entity provides the disclosure required by paragraph 44A...

#### COMPONENTS OF CASH AND CASH EQUIVALENTS

45 An entity shall disclose the components of cash and cash...

46 In view of the variety of cash management practices and...

47 The effect of any change in the policy for determining...

#### OTHER DISCLOSURES

48 An entity shall disclose, together with a commentary by management,...

49 There are various circumstances in which cash and cash equivalent...

- 50 Additional information may be relevant to users in understanding the...
- 51 The separate disclosure of cash flows that represent increases in...
- 52 The disclosure of segmental cash flows enables users to obtain...

#### EFFECTIVE DATE

- 53 This standard becomes operative for financial statements covering periods beginning...
- 54 IAS 27 (as amended by the International Accounting Standards Board...
- 55 Paragraph 14 was amended by Improvements to IFRSs issued in...
- 56 Paragraph 16 was amended by Improvements to IFRSs issued in...
- 57 IFRS 10 and IFRS 11 Joint Arrangements , issued in...
- 58 Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS...
- 59 IFRS 16 Leases , issued in January 2016, amended paragraphs...
- 60 Disclosure Initiative (Amendments to IAS 7), issued in January 2016,...

### INTERNATIONAL ACCOUNTING STANDARD 8

#### Accounting policies, changes in accounting estimates and errors

#### OBJECTIVE

- 1 The objective of this standard is to prescribe the criteria...
- 2 Disclosure requirements for accounting policies, except those for changes in...

#### SCOPE

- 3 This standard shall be applied in selecting and applying accounting...
- 4 The tax effects of corrections of prior period errors and...

#### DEFINITIONS

- 5 The following terms are used in this standard with the...
- 6 [Deleted]

#### ACCOUNTING POLICIES

##### Selection and application of accounting policies

- 7 When an IFRS specifically applies to a transaction, other event...
- 8 IFRSs set out accounting policies that the IASB has concluded...
- 9 IFRSs are accompanied by guidance to assist entities in applying...
- 10 In the absence of an IFRS that specifically applies to...
- 11 In making the judgement described in paragraph 10, management shall...
- 12 In making the judgement described in paragraph 10, management may...

##### Consistency of accounting policies

- 13 An entity shall select and apply its accounting policies consistently...

##### Changes in accounting policies

- 14 An entity shall change an accounting policy only if the...
- 15 Users of financial statements need to be able to compare...
- 16 The following are not changes in accounting policies:
- 17 The initial application of a policy to revalue assets in...
- 18 Paragraphs 19-31 do not apply to the change in accounting...

##### Applying changes in accounting policies

- 19 Subject to paragraph 23:
- 20 For the purpose of this standard, early application of an...

- 21 In the absence of an IFRS that specifically applies to...  
Retrospective application
- 22 Subject to paragraph 23, when a change in accounting  
policy...
- Limitations on retrospective application
- 23 When retrospective application is required by  
paragraph 19(a) or (b),...
- 24 When it is impracticable to determine the period-  
specific effects of...
- 25 When it is impracticable to determine the cumulative  
effect, at...
- 26 When an entity applies a new accounting policy  
retrospectively, it...
- 27 When it is impracticable for an entity to apply a...
- Disclosure
- 28 When initial application of an IFRS has an effect on...
- 29 When a voluntary change in accounting policy has an effect...
- 30 When an entity has not applied a new IFRS that...
- 31 In complying with paragraph 30, an entity considers  
disclosing:

#### CHANGES IN ACCOUNTING ESTIMATES

- 32 As a result of the uncertainties inherent in business activities,...
- 33 The use of reasonable estimates is an essential part of...
- 34 An estimate may need revision if changes occur in the...
- 35 A change in the measurement basis applied is a change...
- 36 The effect of a change in an accounting estimate, other...
- 37 To the extent that a change in an accounting estimate...
- 38 Prospective recognition of the effect of a change in an...
- Disclosure
- 39 An entity shall disclose the nature and amount of a...
- 40 If the amount of the effect in future periods is...

#### ERRORS

- 41 Errors can arise in respect of the recognition, measurement, presentation...
- 42 Subject to paragraph 43, an entity shall correct material prior...  
Limitations on retrospective restatement
- 43 A prior period error shall be corrected by retrospective restatement...
- 44 When it is impracticable to determine the period-specific effects of...
- 45 When it is impracticable to determine the cumulative effect, at...
- 46 The correction of a prior period error is excluded from...
- 47 When it is impracticable to determine the amount of an...
- 48 Corrections of errors are distinguished from changes in accounting  
estimates....
- Disclosure of prior period errors
- 49 In applying paragraph 42, an entity shall disclose the following:...

#### IMPRACTICABILITY IN RESPECT OF RETROSPECTIVE APPLICATION AND RETROSPECTIVE RESTATEMENT

- 50 In some circumstances, it is impracticable to adjust comparative information...
- 51 It is frequently necessary to make estimates in applying an...
- 52 Therefore, retrospectively applying a new accounting policy or correcting a...
- 53 Hindsight should not be used when applying a new accounting...

#### EFFECTIVE DATE AND TRANSITION

- 54 An entity shall apply this standard for annual periods beginning...
- 54C IFRS 13 Fair Value Measurement , issued in May 2011,...
- 54E IFRS 9 Financial Instruments , as issued in July 2014,...
- 54F Amendments to References to the Conceptual Framework in IFRS Standards...
- 54G If an entity does not apply IFRS 14 Regulatory Deferral...
- 54H Definition of Material (Amendments to IAS 1 and IAS 8),...

#### WITHDRAWAL OF OTHER PRONOUNCEMENTS

- 55 This standard supersedes IAS 8 Net profit or loss for...
- 56 This standard supersedes the following interpretations:

### INTERNATIONAL ACCOUNTING STANDARD 10

#### Events after the Reporting Period

#### OBJECTIVE

- 1 The objective of this standard is to prescribe:

#### SCOPE

- 2 This standard shall be applied in the accounting for, and...

#### DEFINITIONS

- 3 The following terms are used in this standard with the...
- 4 The process involved in authorising the financial statements for issue...
- 5 In some cases, an entity is required to submit its...
  - Example
- 6 In some cases, the management of an entity is required...
  - Example
- 7 Events after the reporting period include all events up to...

#### RECOGNITION AND MEASUREMENT

##### Adjusting events after the reporting period

- 8 An entity shall adjust the amounts recognised in its financial...
- 9 The following are examples of adjusting events after the reporting...

##### Non-adjusting events after the reporting period

- 10 An entity shall not adjust the amounts recognised in its...
- 11 An example of a non-adjusting event after the reporting period...

##### Dividends

- 12 If an entity declares dividends to holders of equity instruments...
- 13 If dividends are declared after the reporting period but before...

#### GOING CONCERN

- 14 An entity shall not prepare its financial statements on a...
- 15 Deterioration in operating results and financial position after the reporting...
- 16 IAS 1 specifies required disclosures if:

#### DISCLOSURE

##### Date of authorisation for issue

- 17 An entity shall disclose the date when the financial statements...
  - 18 It is important for users to know when the financial...
- Updating disclosure about conditions at the end of the reporting...

- 19 If an entity receives information after the reporting period about...
- 20 In some cases, an entity needs to update the disclosures...
- Non-adjusting events after the reporting period
- 21 If non-adjusting events after the reporting period are material, non-disclosure...
- 22 The following are examples of non-adjusting events after the reporting...

#### EFFECTIVE DATE

- 23 An entity shall apply this standard for annual periods beginning...
- 23A IFRS 13, issued in May 2011, amended paragraph 11. An...
- 23B IFRS 9 Financial Instruments, as issued in July 2014,...
- 23C Definition of Material (Amendments to IAS 1 and IAS 8),...

#### WITHDRAWAL OF IAS 10 (REVISED 1999)

- 24 This standard supersedes IAS 10 Events After the Balance Sheet...

## INTERNATIONAL ACCOUNTING STANDARD 11

### Construction contracts

#### OBJECTIVE

#### SCOPE

- 1 This standard shall be applied in accounting for construction contracts...
- 2 This standard supersedes IAS 11 Accounting for construction contracts approved...

#### DEFINITIONS

- 3 The following terms are used in this standard with the...
- 4 A construction contract may be negotiated for the construction of...
- 5 For the purposes of this standard, construction contracts include:
- 6 Construction contracts are formulated in a number of ways which,...

#### COMBINING AND SEGMENTING CONSTRUCTION CONTRACTS

- 7 The requirements of this standard are usually applied separately to...
- 8 When a contract covers a number of assets, the construction...
- 9 A group of contracts, whether with a single customer or...
- 10 A contract may provide for the construction of an additional...

#### CONTRACT REVENUE

- 11 Contract revenue shall comprise:
- 12 Contract revenue is measured at the fair value of the...
- 13 A variation is an instruction by the customer for a...
- 14 A claim is an amount that the contractor seeks to...
- 15 Incentive payments are additional amounts paid to the contractor if...

#### CONTRACT COSTS

- 16 Contract costs shall comprise:
- 17 Costs that relate directly to a specific contract include:
- 18 Costs that may be attributable to contract activity in general...
- 19 Costs that are specifically chargeable to the customer under the...

- 20 Costs that cannot be attributed to contract activity or cannot...  
21 Contract costs include the costs attributable to a contract for...

#### RECOGNITION OF CONTRACT REVENUE AND EXPENSES

- 22 When the outcome of a construction contract can be estimated...  
23 In the case of a fixed price contract, the outcome...  
24 In the case of a cost plus contract, the outcome...  
25 The recognition of revenue and expenses by reference to the...  
26 Under the percentage of completion method, contract revenue is recognised...  
27 A contractor may have incurred contract costs that relate to...  
28 The outcome of a construction contract can only be estimated...  
29 An entity is generally able to make reliable estimates after...  
30 The stage of completion of a contract may be determined...  
31 When the stage of completion is determined by reference to...  
32 When the outcome of a construction contract cannot be estimated...  
33 During the early stages of a contract it is often...  
34 Contract costs that are not probable of being recovered are...  
35 When the uncertainties that prevented the outcome of the contract...

#### RECOGNITION OF EXPECTED LOSSES

- 36 When it is probable that total contract costs will exceed...  
37 The amount of such a loss is determined irrespective of:...

#### CHANGES IN ESTIMATES

- 38 The percentage of completion method is applied on a cumulative...

#### DISCLOSURE

- 39 An entity shall disclose:  
40 An entity shall disclose each of the following for contracts...  
41 Retentions are amounts of progress billings that are not paid...  
42 An entity shall present:  
43 The gross amount due from customers for contract work is...  
44 The gross amount due to customers for contract work is...  
45 An entity discloses any contingent liabilities and contingent assets in...

#### EFFECTIVE DATE

- 46 This standard becomes operative for financial statements covering periods beginning...

## INTERNATIONAL ACCOUNTING STANDARD 12

### Income taxes

#### OBJECTIVE

#### SCOPE

- 1 This standard shall be applied in accounting for income taxes...  
2 For the purposes of this standard, income taxes include all...  
3 [Deleted]  
4 This standard does not deal with the methods of accounting...

#### DEFINITIONS

- 5 The following terms are used in this standard with the...
- 6 Tax expense (tax income) comprises current tax expense (current tax...  
Tax base
- 7 The tax base of an asset is the amount that...
- Examples
1. A machine cost 100. For tax purposes, depreciation of 30...
  2. Interest receivable has a carrying amount of 100. The related...
  3. Trade receivables have a carrying amount of 100. The related...
  4. Dividends receivable from a subsidiary have a carrying amount of...
  5. A loan receivable has a carrying amount of 100. The...
- 8 The tax base of a liability is its carrying amount,...
- Examples
1. Current liabilities include accrued expenses with a carrying amount of...
  2. Current liabilities include interest revenue received in advance, with a...
  3. Current liabilities include accrued expenses with a carrying amount of...
  4. Current liabilities include accrued fines and penalties with a carrying...
  5. A loan payable has a carrying amount of 100. The...
- 9 Some items have a tax base but are not recognised...
- 10 Where the tax base of an asset or liability is...
- 11 In consolidated financial statements, temporary differences are determined by comparing...

#### RECOGNITION OF CURRENT TAX LIABILITIES AND CURRENT TAX ASSETS

- 12 Current tax for current and prior periods shall, to the...
- 13 The benefit relating to a tax loss that can be...
- 14 When a tax loss is used to recover current tax...

#### RECOGNITION OF DEFERRED TAX LIABILITIES AND DEFERRED TAX ASSETS

##### TAXABLE TEMPORARY DIFFERENCES

- 15 A deferred tax liability shall be recognised for all taxable...
- 16 It is inherent in the recognition of an asset that...
- Example
- 17 Some temporary differences arise when income or expense is included...
- 18 Temporary differences also arise when:
- Business combinations
- 19 With limited exceptions, the identifiable assets acquired and liabilities assumed...
- Assets carried at fair value
- 20 IFRSs permit or require certain assets to be carried at...
- Assets carried at fair value
- 20 IFRSs permit or require certain assets to be carried at...
- Goodwill
- 21 Goodwill arising in a business combination is measured as the...



- 21A Subsequent reductions in a deferred tax liability that is unrecognised...
- 21B Deferred tax liabilities for taxable temporary differences relating to goodwill...
- Initial recognition of an asset or liability
- 22 A temporary difference may arise on initial recognition of an...  
Example illustrating paragraph 22(c)
- 23 In accordance with IAS 32 Financial instruments: presentation the issuer...
- Deductible temporary differences
- 24 A deferred tax asset shall be recognised for all deductible...
- 25 It is inherent in the recognition of a liability that...  
Example
- 26 The following are examples of deductible temporary differences which result...  
Example illustrating paragraph 26(d)
- 27 The reversal of deductible temporary differences results in deductions in...
- 27A When an entity assesses whether taxable profits will be available...
- 28 It is probable that taxable profit will be available against...
- 29 When there are insufficient taxable temporary differences relating to the...
- 29A The estimate of probable future taxable profit may include the...
- 30 Tax planning opportunities are actions that the entity would take...
- 31 When an entity has a history of recent losses, the...
- 32 [Deleted]  
Goodwill
- 32A If the carrying amount of goodwill arising in a business...  
Initial recognition of an asset or liability
- 33 One case when a deferred tax asset arises on initial...
- Unused tax losses and unused tax credits
- 34 A deferred tax asset shall be recognised for the carryforward...
- 35 The criteria for recognising deferred tax assets arising from the...
- 36 An entity considers the following criteria in assessing the probability...
- Reassessment of unrecognised deferred tax assets
- 37 At the end of each reporting period, an entity reassesses...
- Investments in subsidiaries, branches and associates and interests in joint...
- 38 Temporary differences arise when the carrying amount of investments in...
- 39 An entity shall recognise a deferred tax liability for all...
- 40 As a parent controls the dividend policy of its subsidiary,...
- 41 The non-monetary assets and liabilities of an entity are measured...
- 42 An investor in an associate does not control that entity...
- 43 The arrangement between the parties to a joint arrangement usually...
- 44 An entity shall recognise a deferred tax asset for all...
- 45 In deciding whether a deferred tax asset is recognised for...

## MEASUREMENT

- 46 Current tax liabilities (assets) for the current and prior periods...
- 47 Deferred tax assets and liabilities shall be measured at the...
- 48 Current and deferred tax assets and liabilities are usually measured...
- 49 When different tax rates apply to different levels of taxable...
- 50 [Deleted]
- 51 The measurement of deferred tax liabilities and deferred tax assets...

- 51A In some jurisdictions, the manner in which an entity recovers...  
 Example A  
 Example B  
 Example C  
 51B If a deferred tax liability or deferred tax asset arises...  
 51C If a deferred tax liability or asset arises from investment...  
 Example illustrating paragraph 51C  
 51D The rebuttable presumption in paragraph 51C also applies when a...  
 51E Paragraphs 51B–51D do not change the requirements to apply the...  
 52A In some jurisdictions, income taxes are payable at a higher...  
 52B [Deleted]  
 Example illustrating paragraphs 52A and 57A  
 53 Deferred tax assets and liabilities shall not be discounted.  
 54 The reliable determination of deferred tax assets and liabilities on...  
 55 Temporary differences are determined by reference to the carrying amount...  
 56 The carrying amount of a deferred tax asset shall be...

#### RECOGNITION OF CURRENT AND DEFERRED TAX

- 57 Accounting for the current and deferred tax effects of a...  
 57A An entity shall recognise the income tax consequences of dividends...  
 Items recognised in profit or loss  
 58 Current and deferred tax shall be recognised as income or...  
 59 Most deferred tax liabilities and deferred tax assets arise where...  
 60 The carrying amount of deferred tax assets and liabilities may...  
 Items recognised outside profit or loss  
 61 .....  
 61A Current tax and deferred tax shall be recognised outside profit...  
 62 International Financial Reporting Standards require or permit  
 particular items to...  
 62A International Financial Reporting Standards require or permit  
 particular items to...  
 63 In exceptional circumstances it may be difficult to determine the...  
 64 IAS 16 does not specify whether an entity should transfer...  
 65 When an asset is revalued for tax purposes and that...  
 65A When an entity pays dividends to its shareholders, it may...  
 Deferred tax arising from a business combination  
 66 As explained in paragraphs 19 and 26(c), temporary differences may...  
 67 As a result of a business combination, the probability of...  
 68 The potential benefit of the acquiree's income tax loss carryforwards...  
 Example  
 Current and deferred tax arising from share-based payment transactions  
 68A In some tax jurisdictions, an entity receives a tax deduction...  
 68B As with the research costs discussed in paragraphs 9 and...  
 68C As noted in paragraph 68A, the amount of the tax...

#### PRESENTATION

- Tax assets and tax liabilities  
 69 [Deleted]  
 70 [Deleted]  
 Offset  
 71 An entity shall offset current tax assets and current tax...  
 72 Although current tax assets and liabilities are separately  
 recognised and...

**Changes to legislation:** There are currently no known outstanding effects for the Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- 73 In consolidated financial statements, a current tax asset of one...
- 74 An entity shall offset deferred tax assets and deferred tax...
- 75 To avoid the need for detailed scheduling of the timing...
- 76 In rare circumstances, an entity may have a legally enforceable...

#### Tax expense

- Tax expense (income) related to profit or loss from ordinary...
- 77 The tax expense (income) related to profit or loss from...
- 77A . . . . .
- Exchange differences on deferred foreign tax liabilities or assets
- 78 IAS 21 requires certain exchange differences to be recognised as...

#### DISCLOSURE

- 79 The major components of tax expense (income) shall be disclosed...
- 80 Components of tax expense (income) may include:
- 81 The following shall also be disclosed separately:
- 82 An entity shall disclose the amount of a deferred tax...
- 82A In the circumstances described in paragraph 52A, an entity shall...
- 83 [Deleted]
- 84 The disclosures required by paragraph 81(c) enable users of financial...
- 85 In explaining the relationship between tax expense (income) and accounting...  
Example illustrating paragraph 85
- 86 The average effective tax rate is the tax expense (income)...
- 87 It would often be impracticable to compute the amount of...
- 87A Paragraph 82A requires an entity to disclose the nature of...
- 87B It would sometimes not be practicable to compute the total...
- 87C An entity required to provide the disclosures in paragraph 82A...
- 88 An entity discloses any tax-related contingent liabilities and contingent assets...

#### EFFECTIVE DATE

- 89 This standard becomes operative for financial statements covering periods beginning...
- 90 This standard supersedes IAS 12 Accounting for taxes on income,...
- 91 Paragraphs 52A, 52B, 65A, 81(i), 82A, 87A, 87B, 87C and...
- 92 IAS 1 (as revised in 2007) amended the terminology used...
- 93 Paragraph 68 shall be applied prospectively from the effective date...
- 94 Therefore, entities shall not adjust the accounting for prior business...
- 95 IFRS 3 (as revised by the International Accounting Standards Board...
- 98 Paragraph 52 was renumbered as 51A, paragraph 10 and the...
- 98A IFRS 11 Joint Arrangements, issued in May 2011, amended...
- 98B Presentation of Items of Other Comprehensive Income (Amendments to IAS...
- 98C Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS...
- 98E IFRS 15 Revenue from Contracts with Customers, issued in...
- 98G Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to...
- 98F IFRS 9, as issued in July 2014, amended paragraph 20...
- 98G IFRS 16, issued in January 2016, amended paragraph 20. An...
- 98I Annual Improvements to IFRS Standards 2015–2017 Cycle, issued in...

#### WITHDRAWAL OF SIC-21

- 99 The amendments made by Deferred Tax: Recovery of Underlying Assets...

## INTERNATIONAL ACCOUNTING STANDARD 16

### Property, plant and equipment

#### OBJECTIVE

1 The objective of this standard is to prescribe the accounting...

#### SCOPE

2 This standard shall be applied in accounting for property, plant...

3 This Standard does not apply to:

4 [Deleted]

5 An entity using the cost model for investment property in...

#### DEFINITIONS

6 The following terms are used in this Standard with the...

#### RECOGNITION

7 The cost of an item of property, plant and equipment...

8 Items such as spare parts, stand-by equipment and servicing equipment...

9 This standard does not prescribe the unit of measure for...

10 An entity evaluates under this recognition principle all its property,...

Initial costs

11 Items of property, plant and equipment may be acquired for...

Subsequent costs

12 Under the recognition principle in paragraph 7, an entity does...

13 Parts of some items of property, plant and equipment may...

14 A condition of continuing to operate an item of property,...

#### MEASUREMENT AT RECOGNITION

15 An item of property, plant and equipment that qualifies for...

Elements of cost

16 The cost of an item of property, plant and equipment...

17 Examples of directly attributable costs are:

18 An entity applies IAS 2 Inventories to the costs of...

19 Examples of costs that are not costs of an item...

20 Recognition of costs in the carrying amount of an item...

21 Some operations occur in connection with the construction or  
development...

22 The cost of a self-constructed asset is determined using the...

22A Bearer plants are accounted for in the same way as...

Measurement of cost

23 The cost of an item of property, plant and equipment...

24 One or more items of property, plant and equipment may...

25 An entity determines whether an exchange transaction has commercial  
substance...

26 The fair value of an asset is reliably measurable if...

27 [Deleted]

28 The carrying amount of an item of property, plant and...

#### MEASUREMENT AFTER RECOGNITION

29 An entity shall choose either the cost model in paragraph...

Cost model

30 After recognition as an asset, an item of property, plant...

#### Revaluation model

- 31 After recognition as an asset, an item of property, plant...
- 32 . . . . .
- 33 . . . . .
- 34 The frequency of revaluations depends upon the changes in fair...
- 35 When an item of property, plant and equipment is revalued,...
- 36 If an item of property, plant and equipment is revalued,...
- 37 A class of property, plant and equipment is a grouping...
- 38 The items within a class of property, plant and equipment...
- 39 If an asset's carrying amount is increased as a result...
- 40 If an asset's carrying amount is decreased as a result...
- 41 The revaluation surplus included in equity in respect of an...
- 42 The effects of taxes on income, if any, resulting from...

#### Depreciation

- 43 Each part of an item of property, plant and equipment...
- 44 An entity allocates the amount initially recognised in respect of...
- 45 A significant part of an item of property, plant and...
- 46 To the extent that an entity depreciates separately some parts...
- 47 An entity may choose to depreciate separately the parts of...
- 48 The depreciation charge for each period shall be recognised in...
- 49 The depreciation charge for a period is usually recognised in...

#### Depreciable amount and depreciation period

- 50 The depreciable amount of an asset shall be allocated on...
- 51 The residual value and the useful life of an asset...
- 52 Depreciation is recognised even if the fair value of the...
- 53 The depreciable amount of an asset is determined after deducting...
- 54 The residual value of an asset may increase to an...
- 55 Depreciation of an asset begins when it is available for...
- 56 The future economic benefits embodied in an asset are consumed...
- 57 The useful life of an asset is defined in terms...
- 58 Land and buildings are separable assets and are accounted for...
- 59 If the cost of land includes the costs of site...

#### Depreciation method

- 60 The depreciation method used shall reflect the pattern in which...
- 61 The depreciation method applied to an asset shall be reviewed...
- 62 A variety of depreciation methods can be used to allocate...
- 62A A depreciation method that is based on revenue that is...

#### Impairment

- 63 To determine whether an item of property, plant and equipment...
- 64 [Deleted]

#### Compensation for impairment

- 65 Compensation from third parties for items of property, plant and...
- 66 Impairments or losses of items of property, plant and equipment,...

#### DERECOGNITION

- 67 The carrying amount of an item of property, plant and...
- 68 The gain or loss arising from the derecognition of an...
- 68A However, an entity that, in the course of its ordinary...
- 69 The disposal of an item of property, plant and equipment...

*Changes to legislation:* There are currently no known outstanding effects for the Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- 70 If, under the recognition principle in paragraph 7, an entity...  
 71 The gain or loss arising from the derecognition of an...  
 72 The amount of consideration to be included in the gain...

#### DISCLOSURE

- 73 The financial statements shall disclose, for each class of property,...  
 74 The financial statements shall also disclose:  
 75 Selection of the depreciation method and estimation of the useful...  
 76 In accordance with IAS 8 an entity discloses the nature...  
 77 If items of property, plant and equipment are stated at...  
 78 In accordance with IAS 36 an entity discloses information on...  
 79 Users of financial statements may also find the following information...

#### TRANSITIONAL PROVISIONS

- 80 The requirements of paragraphs 24-26 regarding the initial measurement of...  
 80A Paragraph 35 was amended by Annual Improvements to IFRSs 2010–2012...

#### EFFECTIVE DATE

- 81 An entity shall apply this standard for annual periods beginning...  
 81A An entity shall apply the amendments in paragraph 3 for...  
 81B IAS 1 Presentation of Financial Statements (as revised in 2007)...  
 81C IFRS 3 Business Combinations (as revised by the International Accounting...  
 81D Paragraphs 6 and 69 were amended and paragraph 68A was...  
 81E Paragraph 5 was amended by Improvements to IFRSs issued in...  
 81F IFRS 13, issued in May 2011, amended the definition of...  
 81G Annual Improvements 2009–2011 Cycle, issued in May 2012, amended...  
 81H Annual Improvements to IFRSs 2010–2012 Cycle, issued in December...  
 81I Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to...  
 81J IFRS 15 Revenue from Contracts with Customers, issued in...  
 81K Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41),...  
 81L IFRS 16, issued in January 2016, deleted paragraphs 4 and...  
 81M An entity may elect to measure an item of bearer...

#### WITHDRAWAL OF OTHER PRONOUNCEMENTS

- 82 This standard supersedes IAS 16 Property, plant and equipment (revised...  
 83 This standard supersedes the following interpretations:

### INTERNATIONAL ACCOUNTING STANDARD 17

#### Leases

#### OBJECTIVE

- 1 The objective of this standard is to prescribe, for lessees...

#### SCOPE

- 2 This standard shall be applied in accounting for all leases...  
 3 This standard applies to agreements that transfer the right to...

#### DEFINITIONS

- 4 The following terms are used in this standard with the...  
 5 A lease agreement or commitment may include a provision to...

- 6 The definition of a lease includes contracts for the hire...
- 6A IAS 17 uses the term 'fair value' in a way...

#### CLASSIFICATION OF LEASES

- 7 The classification of leases adopted in this standard is based...
- 8 A lease is classified as a finance lease if it...
- 9 Because the transaction between a lessor and a lessee is...
- 10 Whether a lease is a finance lease or an operating...
- 11 Indicators of situations that individually or in combination could also...
- 12 The examples and indicators in paragraphs 10 and 11 are...
- 13 Lease classification is made at the inception of the lease....
- 14 . . . . .
- 15 . . . . .
- 15A When a lease includes both land and buildings elements, an...
- 16 Whenever necessary in order to classify and account for a...
- 17 For a lease of land and buildings in which the...
- 18 Separate measurement of the land and buildings elements is not...
- 19 In accordance with IAS 40, it is possible for a...

#### LEASES IN THE FINANCIAL STATEMENTS OF LESSEES

##### Finance leases

##### Initial recognition

- 20 At the commencement of the lease term, lessees shall recognise...
- 21 Transactions and other events are accounted for and presented in...
- 22 If such lease transactions are not reflected in the lessees...
- 23 It is not appropriate for the liabilities for leased assets...
- 24 Initial direct costs are often incurred in connection with specific...

##### Subsequent measurement

- 25 Minimum lease payments shall be apportioned between the finance charge...
- 26 In practice, in allocating the finance charge to periods during...
- 27 A finance lease gives rise to depreciation expense for depreciable...
- 28 The depreciable amount of a leased asset is allocated to...
- 29 The sum of the depreciation expense for the asset and...
- 30 To determine whether a leased asset has become impaired, an...
- 31 Lessees shall, in addition to meeting the requirements of IFRS...
- 32 In addition, the requirements for disclosure in accordance with IAS...

##### Operating leases

- 33 Lease payments under an operating lease shall be recognised as...
- 34 For operating leases, lease payments (excluding costs for services such...
- 35 Lessees shall, in addition to meeting the requirements of IFRS...

#### LEASES IN THE FINANCIAL STATEMENTS OF LESSORS

##### Finance leases

##### Initial recognition

- 36 Lessors shall recognise assets held under a finance lease in...

*Changes to legislation:* There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- 37 Under a finance lease substantially all the risks and rewards...
- 38 Initial direct costs are often incurred by lessors and include...
- Subsequent measurement
- 39 The recognition of finance income shall be based on a...
- 40 A lessor aims to allocate finance income over the lease...
- 41 Estimated unguaranteed residual values used in computing the  
lessor's gross...
- 41A An asset under a finance lease that is classified as...
- 42 Manufacturer or dealer lessors shall recognise selling profit or  
loss...
- 43 Manufacturers or dealers often offer to customers the choice  
of...
- 44 The sales revenue recognised at the commencement of the  
lease...
- 45 Manufacturer or dealer lessors sometimes quote artificially  
low rates of...
- 46 Costs incurred by a manufacturer or dealer lessor in  
connection...
- 47 Lessors shall, in addition to meeting the requirements in  
IFRS...
- 48 As an indicator of growth it is often useful also...
- Operating leases
- 49 Lessors shall present assets subject to operating leases in their...
- 50 Lease income from operating leases shall be recognised in income...
- 51 Costs, including depreciation, incurred in earning the lease income  
are...
- 52 Initial direct costs incurred by lessors in negotiating and arranging...
- 53 The depreciation policy for depreciable leased assets shall be  
consistent...
- 54 To determine whether a leased asset has become impaired, an...
- 55 A manufacturer or dealer lessor does not recognise any selling...
- 56 Lessors shall, in addition to meeting the requirements of IFRS...
- 57 In addition, the disclosure requirements in IAS 16, IAS 36,...

#### SALE AND LEASEBACK TRANSACTIONS

- 58 A sale and leaseback transaction involves the sale of an...
- 59 If a sale and leaseback transaction results in a finance...
- 60 If the leaseback is a finance lease, the transaction is...
- 61 If a sale and leaseback transaction results in an operating...
- 62 If the leaseback is an operating lease, and the lease...
- 63 For operating leases, if the fair value at the time...
- 64 For finance leases, no such adjustment is necessary unless there...
- 65 Disclosure requirements for lessees and lessors apply equally to sale...
- 66 Sale and leaseback transactions may trigger the separate disclosure criteria...

#### TRANSITIONAL PROVISIONS

- 67 Subject to paragraph 68, retrospective application of this standard is...
- 68 An entity that has previously applied IAS 17 (revised 1997)...
- 68A An entity shall reassess the classification of land elements of...

#### EFFECTIVE DATE

- 69 An entity shall apply this standard for annual periods beginning...
- 69A Paragraphs 14 and 15 were deleted, and paragraphs 15A and...



## WITHDRAWAL OF IAS 17 (REVISED 1997)

70 This standard supersedes IAS 17 Leases (revised in 1997).

## INTERNATIONAL ACCOUNTING STANDARD 18

### Revenue

#### OBJECTIVE

#### SCOPE

- 1 This standard shall be applied in accounting for revenue arising...
- 2 This standard supersedes IAS 18 Revenue recognition approved in 1982....
- 3 Goods includes goods produced by the entity for the purpose...
- 4 The rendering of services typically involves the performance by the...
- 5 The use by others of entity assets gives rise to...
- 6 This standard does not deal with revenue arising from:

#### DEFINITIONS

- 7 The following terms are used in this standard with the...
- 8 Revenue includes only the gross inflows of economic benefits received...

#### MEASUREMENT OF REVENUE

- 9 Revenue shall be measured at the fair value of the...
- 10 The amount of revenue arising on a transaction is usually...
- 11 In most cases, the consideration is in the form of...
- 12 When goods or services are exchanged or swapped for goods...

#### IDENTIFICATION OF THE TRANSACTION

- 13 The recognition criteria in this standard are usually applied separately...

#### SALE OF GOODS

- 14 Revenue from the sale of goods shall be recognised when...
- 15 The assessment of when an entity has transferred the significant...
- 16 If the entity retains significant risks of ownership, the transaction...
- 17 If an entity retains only an insignificant risk of ownership,...
- 18 Revenue is recognised only when it is probable that the...
- 19 Revenue and expenses that relate to the same transaction or...

#### RENDERING OF SERVICES

- 20 When the outcome of a transaction involving the rendering of...
- 21 The recognition of revenue by reference to the stage of...
- 22 Revenue is recognised only when it is probable that the...
- 23 An entity is generally able to make reliable estimates after...
- 24 The stage of completion of a transaction may be determined...
- 25 For practical purposes, when services are performed by an indeterminate...
- 26 When the outcome of the transaction involving the rendering of...
- 27 During the early stages of a transaction, it is often...
- 28 When the outcome of a transaction cannot be estimated reliably...

#### INTEREST, ROYALTIES AND DIVIDENDS

- 29 Revenue arising from the use by others of entity assets...
- 30 Revenue shall be recognised on the following bases:

- 31 [Deleted]  
32 When unpaid interest has accrued before the acquisition of an...  
33 Royalties accrue in accordance with the terms of the relevant...  
34 Revenue is recognised only when it is probable that the...

#### DISCLOSURE

- 35 An entity shall disclose:  
36 An entity discloses any contingent liabilities and contingent assets in...

#### EFFECTIVE DATE

- 37 This standard becomes operative for financial statements covering periods  
beginning...  
38 Cost of an Investment in a Subsidiary, Jointly Controlled Entity...  
41 IFRS 11 Joint Arrangements, issued in May 2011, amended...  
42 IFRS 13, issued in May 2011, amended the definition of...

### INTERNATIONAL ACCOUNTING STANDARD 19

#### Employee Benefits

#### OBJECTIVE

- 1 The objective of this Standard is to prescribe the accounting...

#### SCOPE

- 2 This Standard shall be applied by an employer in accounting...  
3 This Standard does not deal with reporting by employee benefit...  
4 The employee benefits to which this Standard applies include those...  
5 Employee benefits include:  
6 Employee benefits include benefits provided either to employees or to...  
7 An employee may provide services to an entity on a...

#### DEFINITIONS

- 8 The following terms are used in this Standard with the...

#### SHORT-TERM EMPLOYEE BENEFITS

- 9 Short-term employee benefits include items such as the following, if...  
10 An entity need not reclassify a short-term employee benefit if...

##### Recognition and measurement

##### All short-term employee benefits

- 11 When an employee has rendered service to an entity during...  
12 Paragraphs 13, 16 and 19 explain how an entity shall...

##### Short-term paid absences

- 13 An entity shall recognise the expected cost of short-term  
employee...  
14 An entity may pay employees for absence for various reasons...  
15 Accumulating paid absences are those that are carried forward  
and...  
16 An entity shall measure the expected cost of accumulating  
paid...  
17 The method specified in the previous paragraph measures the  
obligation...

Example illustrating paragraphs 16 and 17

- 18 Non-accumulating paid absences do not carry forward: they lapse if...
- Profit-sharing and bonus plans
- 19 An entity shall recognise the expected cost of profit-sharing and...
- 20 Under some profit-sharing plans, employees receive a share of the...  
Example illustrating paragraph 20
- 21 An entity may have no legal obligation to pay a...
- 22 An entity can make a reliable estimate of its legal...
- 23 An obligation under profit-sharing and bonus plans results from employee...
- 24 If profit-sharing and bonus payments are not expected to be...
- Disclosure
- 25 Although this Standard does not require specific disclosures about short-term...
- POST-EMPLOYMENT BENEFITS: DISTINCTION BETWEEN DEFINED CONTRIBUTION PLANS AND DEFINED BENEFIT...**
- 26 Post-employment benefits include items such as the following:
- 27 Post-employment benefit plans are classified as either defined contribution plans...
- 28 Under defined contribution plans the entity's legal or constructive obligation...
- 29 Examples of cases where an entity's obligation is not limited...
- 30 Under defined benefit plans:
- 31 Paragraphs 32–49 explain the distinction between defined contribution plans and...  
Multi-employer plans
- 32 An entity shall classify a multi-employer plan as a defined...
- 33 If an entity participates in a multi-employer defined benefit plan,...
- 34 When sufficient information is not available to use defined benefit...
- 35 One example of a multi-employer defined benefit plan is one...
- 36 Where sufficient information is available about a multi-employer defined benefit...
- 37 There may be a contractual agreement between the multi-employer plan...  
Example illustrating paragraph 37
- 38 Multi-employer plans are distinct from group administration plans. A group...
- 39 In determining when to recognise, and how to measure, a...  
Defined benefit plans that share risks between entities under common...
- 40 Defined benefit plans that share risks between entities under common...
- 41 An entity participating in such a plan shall obtain information...
- 42 Participation in such a plan is a related party transaction...
- State plans
- 43 An entity shall account for a state plan in the...
- 44 State plans are established by legislation to cover all entities...
- 45 State plans are characterised as defined benefit or defined contribution,...
- Insured benefits
- 46 An entity may pay insurance premiums to fund a post-employment...
- 47 The benefits insured by an insurance policy need not have...

- 48 Where an entity funds a post-employment benefit obligation by contributing...
- 49 Where an insurance policy is in the name of a...

#### POST-EMPLOYMENT BENEFITS: DEFINED CONTRIBUTION PLANS

- 50 Accounting for defined contribution plans is straightforward because the reporting...
- Recognition and measurement
- 51 When an employee has rendered service to an entity during...
- 52 When contributions to a defined contribution plan are not expected...
- Disclosure
- 53 An entity shall disclose the amount recognised as an expense...
- 54 Where required by IAS 24 an entity discloses information about...

#### POST-EMPLOYMENT BENEFITS: DEFINED BENEFIT PLANS

- 55 Accounting for defined benefit plans is complex because actuarial assumptions...
- Recognition and measurement
- 56 Defined benefit plans may be unfunded, or they may be...
- 57 Accounting by an entity for defined benefit plans involves the...
- 58 An entity shall determine the net defined benefit liability (asset)...
- 59 This Standard encourages, but does not require, an entity to...
- 60 In some cases, estimates, averages and computational short cuts may...
- Accounting for the constructive obligation
- 61 An entity shall account not only for its legal obligation...
- 62 The formal terms of a defined benefit plan may permit...
- Statement of financial position
- 63 An entity shall recognise the net defined benefit liability (asset)...
- 64 When an entity has a surplus in a defined benefit...
- 65 A net defined benefit asset may arise where a defined...
- Recognition and measurement: present value of defined benefit obligations and...
- 66 The ultimate cost of a defined benefit plan may be...
- Actuarial valuation method
- 67 An entity shall use the projected unit credit method to...
- 68 The projected unit credit method (sometimes known as the accrued...
- Example illustrating paragraph 68
- Note :
- 1 The opening obligation is the present value of the benefit...
- 2 The current service cost is the present value of the...
- 3 The closing obligation is the present value of the benefit...
- 69 An entity discounts the whole of a post-employment benefit obligation,...
- Attributing benefit to periods of service
- 70 In determining the present value of its defined benefit obligations...
- 71 The projected unit credit method requires an entity to attribute...

Examples illustrating paragraph 71

- 1 A defined benefit plan provides a lump sum benefit of...
  - 2 A plan provides a monthly pension of 0,2 per cent...
  - 72 Employee service gives rise to an obligation under a defined...  
Examples illustrating paragraph 72
    - 1 A plan pays a benefit of CU100 for each year...
    - 2 A plan pays a benefit of CU100 for each year...
  - 73 The obligation increases until the date when further service by...  
Examples illustrating paragraph 73
    - 1 A plan pays a lump sum benefit of CU1,000 that...
    - 2 A plan pays a lump sum retirement benefit of CU2,000...
    - 3 A post-employment medical plan reimburses 40 per cent of an...
    - 4 A post-employment medical plan reimburses 10 per cent of an...
  - 74 Where the amount of a benefit is a constant proportion...  
Example illustrating paragraph 74
- Actuarial assumptions
- 75 Actuarial assumptions shall be unbiased and mutually compatible.
  - 76 Actuarial assumptions are an entity's best estimates of the variables...
  - 77 Actuarial assumptions are unbiased if they are neither imprudent nor...
  - 78 Actuarial assumptions are mutually compatible if they reflect the economic...
  - 79 An entity determines the discount rate and other financial assumptions...
  - 80 Financial assumptions shall be based on market expectations, at the...
- Actuarial assumptions: mortality
- 81 An entity shall determine its mortality assumptions by reference to...
  - 82 In order to estimate the ultimate cost of the benefit...
- Actuarial assumptions: discount rate
- 83 The rate used to discount post-employment benefit obligations (both funded...
  - 84 One actuarial assumption that has a material effect is the...
  - 85 The discount rate reflects the estimated timing of benefit payments....
  - 86 In some cases, there may be no deep market in...
- Actuarial assumptions: salaries, benefits and medical costs
- 87 An entity shall measure its defined benefit obligations on a...
  - 88 Actuarial assumptions reflect future benefit changes that are set out...
  - 89 Actuarial assumptions do not reflect future benefit changes that are...

**Changes to legislation:** There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- 90 Estimates of future salary increases take account of inflation, seniority,...
- 91 Some defined benefit plans limit the contributions that an entity...
- 92 Some defined benefit plans require employees or third parties to...
- 93 Contributions from employees or third parties set out in the...
- 94 For contributions from employees or third parties that are attributed...
- 95 Some post-employment benefits are linked to variables such as the...
- 96 Assumptions about medical costs shall take account of estimated future...
- 97 Measurement of post-employment medical benefits requires assumptions about the level...
- 98 The level and frequency of claims is particularly sensitive to...
- Past service cost and gains and losses on settlement
- 99 When determining past service cost, or a gain or loss...
- 100 An entity need not distinguish between past service cost resulting...
- 101 A settlement occurs together with a plan amendment and curtailment...
- 101A When a plan amendment, curtailment or settlement occurs, an entity...
- Past service cost
- 102 Past service cost is the change in the present value...
- 103 An entity shall recognise past service cost as an expense...
- 104 A plan amendment occurs when an entity introduces, or withdraws,...
- 105 A curtailment occurs when an entity significantly reduces the number...
- 106 Past service cost may be either positive (when benefits are...
- 107 Where an entity reduces benefits payable under an existing defined...
- 108 Past service cost excludes:
- Gains and losses on settlement
- 109 The gain or loss on a settlement is the difference...
- 110 An entity shall recognise a gain or loss on the...
- 111 A settlement occurs when an entity enters into a transaction...
- 112 In some cases, an entity acquires an insurance policy to...
- Recognition and measurement: plan assets
- Fair value of plan assets
- 113 The fair value of any plan assets is deducted in...
- 114 Plan assets exclude unpaid contributions due from the reporting entity...
- 115 Where plan assets include qualifying insurance policies that exactly match...
- Reimbursements
- 116 When, and only when, it is virtually certain that another...
- 117 Sometimes, an entity is able to look to another party,...
- 118 When an insurance policy held by an entity is not...
- 119 If the right to reimbursement arises under an insurance policy...
- Components of defined benefit cost
- 120 An entity shall recognise the components of defined benefit cost,...
- 121 Other IFRSs require the inclusion of some employee benefit costs...

- 122 Remeasurements of the net defined benefit liability (asset) recognised in...
  - Current service cost
    - 122A An entity shall determine current service cost using actuarial assumptions...
  - Net interest on the net defined benefit liability (asset)
    - 123 An entity shall determine net interest on the net defined...
    - 123A To determine net interest in accordance with paragraph 123, an...
    - 124 Net interest on the net defined benefit liability (asset) can...
    - 125 Interest income on plan assets is a component of the...
    - 126 Interest on the effect of the asset ceiling is part...
  - Remeasurements of the net defined benefit liability (asset)
    - 127 Remeasurements of the net defined benefit liability (asset) comprise:
      - 128 Actuarial gains and losses result from increases or decreases in...
      - 129 Actuarial gains and losses do not include changes in the...
      - 130 In determining the return on plan assets, an entity deducts...
- Presentation
  - Offset
    - 131 An entity shall offset an asset relating to one plan...
    - 132 The offsetting criteria are similar to those established for financial...
  - Current/non-current distinction
    - 133 Some entities distinguish current assets and liabilities from non-current assets...
  - Components of defined benefit cost
    - 134 Paragraph 120 requires an entity to recognise service cost and...
- Disclosure
  - 135 An entity shall disclose information that:
    - 136 To meet the objectives in paragraph 135, an entity shall...
    - 137 If the disclosures provided in accordance with the requirements in...
    - 138 An entity shall assess whether all or some disclosures should...
  - Characteristics of defined benefit plans and risks associated with them...
    - 139 An entity shall disclose:
      - Explanation of amounts in the financial statements
        - 140 An entity shall provide a reconciliation from the opening balance...
        - 141 Each reconciliation listed in paragraph 140 shall show each of...
        - 142 An entity shall disaggregate the fair value of the plan...
        - 143 An entity shall disclose the fair value of the entity's...
        - 144 An entity shall disclose the significant actuarial assumptions used to...
  - Amount, timing and uncertainty of future cash flows
    - 145 An entity shall disclose:
      - 146 An entity shall disclose a description of any asset-liability matching...
      - 147 To provide an indication of the effect of the defined...
  - Multi-employer plans

148 If an entity participates in a multi-employer defined benefit plan,...

Defined benefit plans that share risks between entities under common...

149 If an entity participates in a defined benefit plan that...

150 The information required by paragraph 149(c) and (d) can be...  
Disclosure requirements in other IFRSs

151 Where required by IAS 24 an entity discloses information about:...

152 Where required by IAS 37 an entity discloses information about...

#### OTHER LONG-TERM EMPLOYEE BENEFITS

153 Other long-term employee benefits include items such as the following,...

154 The measurement of other long-term employee benefits is not usually...

Recognition and measurement

155 In recognising and measuring the surplus or deficit in another...

156 For other long-term employee benefits, an entity shall recognise the...

157 One form of other long-term employee benefit is long-term disability...

Disclosure

158 Although this Standard does not require specific disclosures about other...

#### TERMINATION BENEFITS

159 This Standard deals with termination benefits separately from other employee...

160 Termination benefits do not include employee benefits resulting from termination...

161 The form of the employee benefit does not determine whether...

162 Indicators that an employee benefit is provided in exchange for...

163 Some termination benefits are provided in accordance with the terms...

164 Some employee benefits are provided regardless of the reason for...

Recognition

165 An entity shall recognise a liability and expense for termination...

166 For termination benefits payable as a result of an employee's...

167 For termination benefits payable as a result of an entity's...

168 When an entity recognises termination benefits, the entity may also...

Measurement

169 An entity shall measure termination benefits on initial recognition, and...

170 Because termination benefits are not provided in exchange for service,...

Example illustrating paragraphs 159–170

Background

Termination benefits

Benefits provided in exchange for service

Disclosure

171 Although this Standard does not require specific disclosures about termination...

#### TRANSITION AND EFFECTIVE DATE

172 An entity shall apply this Standard for annual periods beginning...

173 An entity shall apply this Standard retrospectively, in accordance with...

174 IFRS 13, issued in May 2011, amended the definition of...



- 175 Defined Benefit Plans: Employee Contributions (Amendments to IAS 19), issued...
- 176 Annual Improvements to IFRSs 2012–2014 Cycle , issued in September...
- 177 An entity shall apply the amendment in paragraph 176 from...
- 179 Plan Amendment, Curtailment or Settlement (Amendments to IAS 19), issued...

## Appendix A

### Application Guidance

This appendix is an integral part of the IFRS. It...

- A1 The accounting requirements for contributions from employees or third parties...

## INTERNATIONAL ACCOUNTING STANDARD 20

Accounting for government grants and disclosure of government assistance

### SCOPE

- 1 This standard shall be applied in accounting for, and in...
- 2 This standard does not deal with:

### DEFINITIONS

- 3 The following terms are used in this standard with the...
- 4 Government assistance takes many forms varying both in the nature...
- 5 The receipt of government assistance by an entity may be...
- 6 Government grants are sometimes called by other names such as...

### GOVERNMENT GRANTS

- 7 Government grants, including non-monetary grants at fair value, shall not...
- 8 A government grant is not recognised until there is reasonable...
- 9 The manner in which a grant is received does not...
- 10 A forgivable loan from government is treated as a government...
- 10A The benefit of a government loan at a below-market rate...
- 11 Once a government grant is recognised, any related contingent liability...
- 12 Government grants shall be recognised in profit or loss on...
- 13 There are two broad approaches to the accounting for government...
- 14 Those in support of the capital approach argue as follows:...
- 15 Arguments in support of the income approach are as follows:...
- 16 It is fundamental to the income approach that government grants...
- 17 In most cases the periods over which an entity recognises...
- 18 Grants related to non-depreciable assets may also require the fulfilment...
- 19 Grants are sometimes received as part of a package of...
- 20 A government grant that becomes receivable as compensation for expenses...
- 21 In some circumstances, a government grant may be awarded for...
- 22 A government grant may become receivable by an entity as...  
Non-monetary government grants
- 23 A government grant may take the form of a transfer...
- Presentation of grants related to assets
- 24 Government grants related to assets, including non-monetary grants at fair...

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- 25 Two methods of presentation in financial statements of grants (or...  
26 One method recognises the grant as deferred income that is...  
27 The other method deducts the grant in calculating the carrying...  
28 The purchase of assets and the receipt of related grants...  
Presentation of grants related to income  
29 Grants related to income are presented as part of profit...  
29A . . . . .  
30 Supporters of the first method claim that it is inappropriate...  
31 Both methods are regarded as acceptable for the presentation of...  
Repayment of government grants  
32 A government grant that becomes repayable shall be accounted for...  
33 Circumstances giving rise to repayment of a grant related to...

#### GOVERNMENT ASSISTANCE

- 34 Excluded from the definition of government grants in paragraph 3...  
35 Examples of assistance that cannot reasonably have a value placed...  
36 The significance of the benefit in the above examples may...  
37 . . . . .  
38 In this standard, government assistance does not include the provision...

#### DISCLOSURE

- 39 The following matters shall be disclosed:

#### TRANSITIONAL PROVISIONS

- 40 An entity adopting the standard for the first time shall:...

#### EFFECTIVE DATE

- 41 This standard becomes operative for financial statements covering periods  
beginning...  
42 IAS 1 (as revised in 2007) amended the terminology used...  
43 Paragraph 37 was deleted and paragraph 10A added by Improvements...  
45 IFRS 13, issued in May 2011, amended the definition of...  
46 Presentation of Items of Other Comprehensive Income (Amendments to IAS...  
48 IFRS 9, as issued in July 2014, amended paragraph 10A...

### INTERNATIONAL ACCOUNTING STANDARD 21

#### The effects of changes in foreign exchange rates

#### OBJECTIVE

- 1 An entity may carry on foreign activities in two ways...  
2 The principal issues are which exchange rate(s) to use and...

#### SCOPE

- 3 This Standard shall be applied :  
4 IFRS 9 applies to many foreign currency derivatives and, accordingly,...  
5 This Standard does not apply to hedge accounting for foreign...  
6 This standard applies to the presentation of an entity's financial...  
7 This standard does not apply to the presentation in a...

#### DEFINITIONS

- 8 The following terms are used in this standard with the...

#### Elaboration on the definitions

##### Functional currency

- 9 The primary economic environment in which an entity operates is...
- 10 The following factors may also provide evidence of an entity's...
- 11 The following additional factors are considered in determining the functional...
- 12 When the above indicators are mixed and the functional currency...
- 13 An entity's functional currency reflects the underlying transactions, events and...
- 14 If the functional currency is the currency of a hyperinflationary...

##### Net investment in a foreign operation

- 15 An entity may have a monetary item that is receivable...
- 15A The entity that has a monetary item receivable from or...

##### Monetary items

- 16 The essential feature of a monetary item is a right...

#### SUMMARY OF THE APPROACH REQUIRED BY THIS STANDARD

- 17 In preparing financial statements, each entity — whether a stand-alone...
- 18 Many reporting entities comprise a number of individual entities (e.g....
- 19 This Standard also permits a stand-alone entity preparing financial statements...

#### REPORTING FOREIGN CURRENCY TRANSACTIONS IN THE FUNCTIONAL CURRENCY

##### Initial recognition

- 20 A foreign currency transaction is a transaction that is denominated...
- 21 A foreign currency transaction shall be recorded, on initial recognition...
- 22 The date of a transaction is the date on which...

##### Reporting at the ends of subsequent reporting periods

- 23 At the end of each reporting period:
- 24 The carrying amount of an item is determined in conjunction...
- 25 The carrying amount of some items is determined by comparing...
- 26 When several exchange rates are available, the rate used is...

##### Recognition of exchange differences

- 27 As noted in paragraphs 3(a) and 5, IFRS 9 applies...
- 28 Exchange differences arising on the settlement of monetary items or...
- 29 When monetary items arise from a foreign currency transaction and...
- 30 When a gain or loss on a non-monetary item is...
- 31 Other standards require some gains and losses to be recognised...
- 32 Exchange differences arising on a monetary item that forms part...
- 33 When a monetary item forms part of a reporting entity's...
- 34 When an entity keeps its books and records in a...

##### Change in functional currency

- 35 When there is a change in an entity's functional currency,...
- 36 As noted in paragraph 13, the functional currency of an...
- 37 The effect of a change in functional currency is accounted...

#### USE OF A PRESENTATION CURRENCY OTHER THAN THE FUNCTIONAL CURRENCY...

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#### Translation to the presentation currency

- 38 An entity may present its financial statements in any currency...
- 39 The results and financial position of an entity whose functional...
- 40 For practical reasons, a rate that approximates the exchange rates...
- 41 The exchange differences referred to in paragraph 39(c) result from:...
- 42 The results and financial position of an entity whose functional...
- 43 When an entity's functional currency is the currency of a...

#### Translation of a foreign operation

- 44 Paragraphs 45-47, in addition to paragraphs 38-43, apply when the...
- 45 The incorporation of the results and financial position of a...
- 46 When the financial statements of a foreign operation are as...
- 47 Any goodwill arising on the acquisition of a foreign operation...

#### Disposal or partial disposal of a foreign operation

- 48 On the disposal of a foreign operation, the cumulative amount...
- 48A In addition to the disposal of an entity's entire interest...
- 48B On disposal of a subsidiary that includes a foreign operation,...
- 48C On the partial disposal of a subsidiary that includes a...
- 48D A partial disposal of an entity's interest in a foreign...
- 49 An entity may dispose or partially dispose of its interest...

#### TAX EFFECTS OF ALL EXCHANGE DIFFERENCES

- 50 Gains and losses on foreign currency transactions and exchange differences...

#### DISCLOSURE

- 51 In paragraphs 53 and 55-57 references to 'functional currency' apply,...
- 52 An entity shall disclose:
- 53 When the presentation currency is different from the functional currency,...
- 54 When there is a change in the functional currency of...
- 55 When an entity presents its financial statements in a currency...
- 56 An entity sometimes presents its financial statements or other financial...
- 57 When an entity displays its financial statements or other financial...

#### EFFECTIVE DATE AND TRANSITION

- 58 An entity shall apply this standard for annual periods beginning...
- 58A Net investment in a foreign operation (amendment to IAS 21),...
- 59 An entity shall apply paragraph 47 prospectively to all acquisitions...
- 60 All other changes resulting from the application of this standard...
- 60A IAS 1 (as revised in 2007) amended the terminology used...
- 60B IAS 27 (as amended in 2008) added paragraphs 48A-48D and...
- 60D Paragraph 60B was amended by Improvements to IFRSs issued in...
- 60F IFRS 10 and IFRS 11 Joint Arrangements, issued in...
- 60G IFRS 13, issued in May 2011, amended the definition of...
- 60H Presentation of Items of Other Comprehensive Income (Amendments to IAS...
- 60J IFRS 9, as issued in July 2014, amended paragraphs 3,...
- 60K IFRS 16 Leases, issued in January 2016, amended paragraph...

#### WITHDRAWAL OF OTHER PRONOUNCEMENTS

- 61 This standard supersedes IAS 21 The effects of changes in...
- 62 This standard supersedes the following interpretations:

## INTERNATIONAL ACCOUNTING STANDARD 23

### Borrowing Costs

#### CORE PRINCIPLE

1 Borrowing costs that are directly attributable to the acquisition, construction...

#### SCOPE

2 An entity shall apply this Standard in accounting for borrowing...

3 The Standard does not deal with the actual or imputed...

4 An entity is not required to apply the Standard to...

#### DEFINITIONS

5 This Standard uses the following terms with the meanings specified:...

6 Borrowing costs may include:

7 Depending on the circumstances, any of the following may be...

#### RECOGNITION

8 An entity shall capitalise borrowing costs that are directly attributable...

9 Borrowing costs that are directly attributable to the acquisition, construction...

##### Borrowing costs eligible for capitalisation

10 The borrowing costs that are directly attributable to the acquisition,...

11 It may be difficult to identify a direct relationship between...

12 To the extent that an entity borrows funds specifically for...

13 The financing arrangements for a qualifying asset may result in...

14 To the extent that an entity borrows funds generally and...

15 In some circumstances, it is appropriate to include all borrowings...

Excess of the carrying amount of the qualifying asset over...

16 When the carrying amount or the expected ultimate cost of...

##### Commencement of capitalisation

17 An entity shall begin capitalising borrowing costs as part of...

18 Expenditures on a qualifying asset include only those expenditures that...

19 The activities necessary to prepare the asset for its intended...

##### Suspension of capitalisation

20 An entity shall suspend capitalisation of borrowing costs during extended...

21 An entity may incur borrowing costs during an extended period...

##### Cessation of capitalisation

22 An entity shall cease capitalising borrowing costs when substantially all...

23 An asset is normally ready for its intended use or...

24 When an entity completes the construction of a qualifying asset...

25 A business park comprising several buildings, each of which can...

#### DISCLOSURE

26 An entity shall disclose:

#### TRANSITIONAL PROVISIONS

27 When application of this Standard constitutes a change in accounting...

28 However, an entity may designate any date before the effective...

28A Annual Improvements to IFRS Standards 2015–2017 Cycle, issued in...

**EFFECTIVE DATE**

- 29 An entity shall apply the Standard for annual periods beginning...
- 29A Paragraph 6 was amended by Improvements to IFRSs issued in...
- 29B IFRS 9, as issued in July 2014, amended paragraph 6....
- 29C IFRS 16, issued in January 2016, amended paragraph 6. An...
- 29D Annual Improvements to IFRS Standards 2015–2017 Cycle, issued in...

**WITHDRAWAL OF IAS 23 (REVISED 1993)**

- 30 This Standard supersedes IAS 23 Borrowing Costs revised in 1993....

**INTERNATIONAL ACCOUNTING STANDARD 24****Related party disclosures****OBJECTIVE**

- 1 The objective of this Standard is to ensure that an...

**SCOPE**

- 2 This Standard shall be applied in:
- 3 This Standard requires disclosure of related party transactions, transactions and...
- 4 Related party transactions and outstanding balances with other entities in...

**PURPOSE OF RELATED PARTY DISCLOSURES**

- 5 Related party relationships are a normal feature of commerce and...
- 6 A related party relationship could have an effect on the...
- 7 The profit or loss and financial position of an entity...
- 8 For these reasons, knowledge of an entity's transactions, outstanding balances,...

**DEFINITIONS**

- 9 The following terms are used in this Standard with the...
- 10 In considering each possible related party relationship, attention is directed...
- 11 In the context of this Standard, the following are not...
- 12 In the definition of a related party, an associate includes...

**DISCLOSURES****All entities**

- 13 Relationships between a parent and its subsidiaries shall be disclosed...
- 14 To enable users of financial statements to form a view...
- 15 The requirement to disclose related party relationships between a parent...
- 16 Paragraph 13 refers to the next most senior parent. This...
- 17 An entity shall disclose key management personnel compensation in total...
- 17A If an entity obtains key management personnel services from another...
- 18 If an entity has had related party transactions during the...
- 18A Amounts incurred by the entity for the provision of key...
- 19 The disclosures required by paragraph 18 shall be made separately...
- 20 The classification of amounts payable to, and receivable from, related...
- 21 The following are examples of transactions that are disclosed if...
- 22 Participation by a parent or subsidiary in a defined benefit...

- 23 Disclosures that related party transactions were made on terms equivalent...
- 24 Items of a similar nature may be disclosed in aggregate...  
Government-related entities
- 25 A reporting entity is exempt from the disclosure requirements of...
- 26 If a reporting entity applies the exemption in paragraph 25,...
- 27 In using its judgement to determine the level of detail...

#### EFFECTIVE DATE AND TRANSITION

- 28 An entity shall apply this Standard retrospectively for annual periods...
- 28A IFRS 10, IFRS 11 Joint Arrangements and IFRS 12, issued...
- 28B Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS...
- 28C Annual Improvements to IFRSs 2010–2012 Cycle, issued in December...

#### WITHDRAWAL OF IAS 24 (2003)

- 29 This Standard supersedes IAS 24 Related Party Disclosures (as revised...

### INTERNATIONAL ACCOUNTING STANDARD 26

#### Accounting and reporting by retirement benefit plans

#### SCOPE

- 1 This standard shall be applied in the financial statements of...
- 2 Retirement benefit plans are sometimes referred to by various other...
- 3 This standard deals with accounting and reporting by the plan...
- 4 IAS 19 Employee benefits is concerned with the determination of...
- 5 Retirement benefit plans may be defined contribution plans or defined...
- 6 Retirement benefit plans with assets invested with insurance companies are...
- 7 This standard does not deal with other forms of employment...

#### DEFINITIONS

- 8 The following terms are used in this standard with the...
- 9 Some retirement benefit plans have sponsors other than employers; this...
- 10 Most retirement benefit plans are based on formal agreements. Some...
- 11 Many retirement benefit plans provide for the establishment of separate...
- 12 Retirement benefit plans are normally described as either defined contribution...

#### DEFINED CONTRIBUTION PLANS

- 13 The financial statements of a defined contribution plan shall contain...
- 14 Under a defined contribution plan, the amount of a participant's...
- 15 The participants are interested in the activities of the plan...
- 16 The objective of reporting by a defined contribution plan is...

#### DEFINED BENEFIT PLANS

- 17 The financial statements of a defined benefit plan shall contain...
- 18 For the purposes of paragraph 17, the actuarial present value...
- 19 The financial statements shall explain the relationship between the actuarial...
- 20 Under a defined benefit plan, the payment of promised retirement...
- 21 A defined benefit plan needs the periodic advice of an...
- 22 The objective of reporting by a defined benefit plan is...  
Actuarial present value of promised retirement benefits

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- 23 The present value of the expected payments by a retirement...
- 24 The reasons given for adopting a current salary approach include:...
- 25 Reasons given for adopting a projected salary approach include:
- 26 The actuarial present value of promised retirement benefits based on...
- Frequency of actuarial valuations
- 27 In many countries, actuarial valuations are not obtained more frequently...
- Financial statement content
- 28 For defined benefit plans, information is presented in one of...
- 29 Those in favour of the formats described in paragraph 28(a)...
- 30 Those who favour the format described in paragraph 28(c) believe...
- 31 This standard accepts the views in favour of permitting disclosure...

#### ALL PLANS

- Valuation of plan assets
- 32 Retirement benefit plan investments shall be carried at fair value....
- 33 In the case of marketable securities fair value is usually...
- Disclosure
- 34 The financial statements of a retirement benefit plan, whether defined...
- 35 Financial statements provided by retirement benefit plans include the following,...
- 36 The report of a retirement benefit plan contains a description...

#### EFFECTIVE DATE

- 37 This standard becomes operative for financial statements of retirement benefit...

### INTERNATIONAL ACCOUNTING STANDARD 27

#### Separate Financial Statements

#### OBJECTIVE

- 1 The objective of this Standard is to prescribe the accounting...

#### SCOPE

- 2 This Standard shall be applied in accounting for investments in...
- 3 This Standard does not mandate which entities produce separate financial...

#### DEFINITIONS

- 4 The following terms are used in this Standard with the...
- 5 The following terms are defined in Appendix A of IFRS...
- 6 Separate financial statements are those presented in addition to consolidated...
- 7 The financial statements of an entity that does not have...
- 8 An entity that is exempted in accordance with paragraph 4(a)...
- 8A An investment entity that is required, throughout the current period...

#### PREPARATION OF SEPARATE FINANCIAL STATEMENTS

- 9 Separate financial statements shall be prepared in accordance with all...
- 10 When an entity prepares separate financial statements, it shall account...
- 11 If an entity elects, in accordance with paragraph 18 of...
- 11A If a parent is required, in accordance with paragraph 31...
- 11B When a parent ceases to be an investment entity, or...
- 12 Dividends from a subsidiary, a joint venture or an associate...



- 13 When a parent reorganises the structure of its group by...
- 14 Similarly, an entity that is not a parent might establish...

#### DISCLOSURE

- 15 An entity shall apply all applicable IFRSs when providing disclosures...
- 16 When a parent, in accordance with paragraph 4(a) of IFRS...
- 16A When an investment entity that is a parent (other than...
- 17 When a parent (other than a parent covered by paragraphs...

#### EFFECTIVE DATE AND TRANSITION

- 18 An entity shall apply this Standard for annual periods beginning...
- 18A Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS...
- 18B If, at the date of initial application of the Investment...
- 18C At the date of initial application, an investment entity that...
- 18D At the date of initial application, an investment entity that...
- 18E At the date of initial application, an investment entity shall...
- 18F Before the date that IFRS 13 Fair Value Measurement is...
- 18G If measuring the investment in the subsidiary in accordance with...
- 18H If an investment entity has disposed of, or lost control...
- 18I Notwithstanding the references to the annual period immediately preceding the...
- 18J Equity Method in Separate Financial Statements (Amendments to IAS 27),...  
References to IFRS 9
- 19 If an entity applies this Standard but does not yet...

#### WITHDRAWAL OF IAS 27 (2008)

- 20 This Standard is issued concurrently with IFRS 10. Together, the...

### INTERNATIONAL ACCOUNTING STANDARD 28

#### Investments in Associates and Joint Ventures

#### OBJECTIVE

- 1 The objective of this Standard is to prescribe the accounting...

#### SCOPE

- 2 This Standard shall be applied by all entities that are...

#### DEFINITIONS

- 3 The following terms are used in this Standard with the...
- 4 The following terms are defined in paragraph 4 of IAS...

#### SIGNIFICANT INFLUENCE

- 5 If an entity holds, directly or indirectly (eg through subsidiaries),...
- 6 The existence of significant influence by an entity is usually...
- 7 An entity may own share warrants, share call options, debt...
- 8 In assessing whether potential voting rights contribute to significant influence,...
- 9 An entity loses significant influence over an investee when it...

#### EQUITY METHOD

- 10 Under the equity method, on initial recognition the investment in...

- 11 The recognition of income on the basis of distributions received...
- 12 When potential voting rights or other derivatives containing potential voting...
- 13 In some circumstances, an entity has, in substance, an existing...
- 14 IFRS 9 Financial Instruments does not apply to interests in...
- 14A An entity also applies IFRS 9 to other financial instruments...
- 15 Unless an investment, or a portion of an investment, in...

#### APPLICATION OF THE EQUITY METHOD

- 16 An entity with joint control of, or significant influence over,...  
Exemptions from applying the equity method
  - 17 An entity need not apply the equity method to its...
  - 18 When an investment in an associate or a joint venture...
  - 19 When an entity has an investment in an associate, a...
- Classification as held for sale
  - 20 An entity shall apply IFRS 5 to an investment, or...
  - 21 When an investment, or a portion of an investment, in...
- Discontinuing the use of the equity method
  - 22 An entity shall discontinue the use of the equity method...
  - 23 Therefore, if a gain or loss previously recognised in other...
  - 24 If an investment in an associate becomes an investment in...
- Changes in ownership interest
  - 25 If an entity's ownership interest in an associate or a...
- Equity method procedures
  - 26 Many of the procedures that are appropriate for the application...
  - 27 A group's share in an associate or a joint venture...
  - 28 Gains and losses resulting from 'upstream' and '...
  - 29 When downstream transactions provide evidence of a reduction in the...
  - 30 The contribution of a non-monetary asset to an associate or...
  - 31 If, in addition to receiving an equity interest in an...
  - 32 An investment is accounted for using the equity method from...
  - 33 The most recent available financial statements of the associate or...
  - 34 When, in accordance with paragraph 33, the financial statements of...
  - 35 The entity's financial statements shall be prepared using uniform accounting...
  - 36 Except as described in paragraph 36A, if an associate or...
  - 36A Notwithstanding the requirement in paragraph 36, if an entity that...
  - 37 If an associate or a joint venture has outstanding cumulative...
  - 38 If an entity's share of losses of an associate or...
  - 39 After the entity's interest is reduced to zero, additional losses...
- Impairment losses
  - 40 After application of the equity method, including recognising the associate's...
  - 41 [Deleted]
  - 41A The net investment in an associate or joint venture is...
  - 41B The disappearance of an active market because the associate's or...
  - 41C In addition to the types of events in paragraph 41A,...
  - 42 Because goodwill that forms part of the carrying amount of...
  - 43 The recoverable amount of an investment in an associate or...

#### SEPARATE FINANCIAL STATEMENTS

- 44 An investment in an associate or a joint venture shall...

#### EFFECTIVE DATE AND TRANSITION

- 45 An entity shall apply this Standard for annual periods beginning...
  - 45A IFRS 9, as issued in July 2014, amended paragraphs 40–42...
  - 45B Equity Method in Separate Financial Statements (Amendments to IAS 27),...
  - 45D Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10),...
  - 45E Annual Improvements to IFRS Standards 2014–2016 Cycle , issued in...
  - 45G Long-term Interests in Associates and Joint Ventures , issued in...
  - 45H An entity that first applies the amendments in paragraph 45G...
  - 45I An entity that first applies the amendments in paragraph 45G...
  - 45J When first applying the amendments in paragraph 45G, an entity...
  - 45K If an entity does not restate prior periods applying paragraph...
- References to IFRS 9
- 46 If an entity applies this Standard but does not yet...

#### WITHDRAWAL OF IAS 28 (2003)

- 47 This Standard supersedes IAS 28 Investments in Associates (as revised...

### INTERNATIONAL ACCOUNTING STANDARD 29

#### Financial reporting in hyperinflationary economies

#### SCOPE

- 1 This standard shall be applied to the financial statements, including...
- 2 In a hyperinflationary economy, reporting of operating results and financial...
- 3 This standard does not establish an absolute rate at which...
- 4 It is preferable that all entities that report in the...

#### THE RESTATEMENT OF FINANCIAL STATEMENTS

- 5 Prices change over time as the result of various specific...
  - 6 Entities that prepare financial statements on the historical cost basis...
  - 7 In a hyperinflationary economy, financial statements, whether they are based...
  - 8 The financial statements of an entity whose functional currency is...
  - 9 The gain or loss on the net monetary position shall...
  - 10 The restatement of financial statements in accordance with this standard...
- Historical cost financial statements
- Statement of financial position
- 11 Statement of financial position amounts not already expressed in terms...
  - 12 Monetary items are not restated because they are already expressed...
  - 13 Assets and liabilities linked by agreement to changes in prices,...
  - 14 All other assets and liabilities are non-monetary. Some non-monetary items...
  - 15 Most non-monetary items are carried at cost or cost less...
  - 16 Detailed records of the acquisition dates of items of property,...
  - 17 A general price index may not be available for the...
  - 18 Some non-monetary items are carried at amounts current at dates...
  - 19 The restated amount of a non-monetary item is reduced, in...
  - 20 An investee that is accounted for under the equity method...

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- 21 The impact of inflation is usually recognised in borrowing costs....
- 22 An entity may acquire assets under an arrangement that permits...
- 23 [Deleted]
- 24 At the beginning of the first period of application of...
- 25 At the end of the first period and in subsequent...
- Statement of comprehensive income
- 26 This standard requires that all items in the statement of...
- Gain or loss on net monetary position
- 27 In a period of inflation, an entity holding an excess...
- 28 The gain or loss on the net monetary position is...
- Current cost financial statements
- Statement of financial position
- 29 Items stated at current cost are not restated because they...
- Statement of comprehensive income
- 30 The current cost statement of comprehensive income, before restatement, generally...
- Gain or loss on net monetary position
- 31 The gain or loss on the net monetary position is...
- Taxes
- 32 The restatement of financial statements in accordance with this standard...
- Statement of cash flows
- 33 This standard requires that all items in the statement of...
- Corresponding figures
- 34 Corresponding figures for the previous reporting period, whether they were...
- Consolidated financial statements
- 35 A parent that reports in the currency of a hyperinflationary...
- 36 If financial statements with different ends of the reporting periods...
- Selection and use of the general price index
- 37 The restatement of financial statements in accordance with this standard...

#### ECONOMIES CEASING TO BE HYPERINFLATIONARY

- 38 When an economy ceases to be hyperinflationary and an entity...

#### DISCLOSURES

- 39 The following disclosures shall be made:
- 40 The disclosures required by this standard are needed to make...

#### EFFECTIVE DATE

- 41 This standard becomes operative for financial statements covering periods beginning...

### INTERNATIONAL ACCOUNTING STANDARD 31

#### Interests in joint ventures

#### SCOPE

- 1 This Standard shall be applied in accounting for interests in...

2 A venturer with an interest in a jointly controlled entity...

#### DEFINITIONS

3 The following terms are used in this standard with the...

4 .....

5 .....

6 .....

#### Forms of joint venture

7 Joint ventures take many different forms and structures. This standard...

#### Joint control

8 .....

#### Contractual arrangement

9 .....

10 The contractual arrangement may be evidenced in a number of...

11 .....

12 .....

#### JOINTLY CONTROLLED OPERATIONS

13 .....

14 .....

15 In respect of its interests in jointly controlled operations, a...

16 .....

17 .....

#### JOINTLY CONTROLLED ASSETS

18 .....

19 .....

20 .....

21 In respect of its interest in jointly controlled assets, a...

22 In respect of its interest in jointly controlled assets, each...

23 .....

#### JOINTLY CONTROLLED ENTITIES

24 .....

25 .....

26 .....

27 .....

28 .....

29 .....

#### Financial statements of a venturer

##### Proportionate consolidation

30 .....

31 .....

32 .....

33 .....

34 .....

35 .....

36 .....

37 .....

##### Equity method

38 .....

39 .....

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40	.....
41	.....
Exceptions to proportionate consolidation and equity method	
42	.....
43	.....
44	.....
45	When an investor ceases to have joint control over an...
45A	.....
45B	.....
Separate financial statements of a venturer	
46	.....
47	.....
TRANSACTIONS BETWEEN A VENTURER AND A JOINT VENTURE	
48	.....
49	.....
50	.....
REPORTING INTERESTS IN JOINT VENTURES IN THE FINANCIAL STATEMENTS OF...	
51	.....
OPERATORS OF JOINT VENTURES	
52	.....
53	.....
DISCLOSURE	
54	A venturer shall disclose the aggregate amount of the following...
55	A venturer shall disclose the aggregate amount of the following...
56	.....
57	.....
EFFECTIVE DATE AND TRANSITION	
58	.....
58A	.....
58B	.....
58D	.....
58F	.....
WITHDRAWAL OF IAS 31 (REVISED 2000)	
59	.....

## INTERNATIONAL ACCOUNTING STANDARD 32

### Financial instruments: presentation

#### OBJECTIVE

- 1 [Deleted]
- 2 The objective of this standard is to establish principles for...
- 3 The principles in this Standard complement the principles for recognising...

#### SCOPE

- 4 This Standard shall be applied by all entities to all...  
5-7 [Deleted]  
8 This Standard shall be applied to those contracts to buy...  
9 There are various ways in which a contract to buy...  
10 A written option to buy or sell a non-financial item...

#### DEFINITIONS (SEE ALSO PARAGRAPHS AG3-AG23)

- 11 The following terms are used in this standard with the...  
12 The following terms are defined in Appendix A of IFRS...  
13 In this standard, 'contract' and 'contractual' refer to an agreement...  
14 In this standard, 'entity' includes individuals, partnerships, incorporated bodies, trusts...

#### PRESENTATION

Liabilities and equity (see also paragraphs AG13-AG14J and AG25–AG29A)

- 15 The issuer of a financial instrument shall classify the instrument,...
- 16 When an issuer applies the definitions in paragraph 11 to...  
Puttable instruments  
16A A puttable financial instrument includes a contractual obligation for the...  
16B For an instrument to be classified as an equity instrument, ...  
Instruments, or components of instruments, that impose on the entity...  
16C Some financial instruments include a contractual obligation for the issuing...  
16D For an instrument to be classified as an equity instrument, ...  
Reclassification of puttable instruments and instruments that impose on the...  
16E An entity shall classify a financial instrument as an equity...  
16F An entity shall account as follows for the reclassification of...  
No contractual obligation to deliver cash or another financial asset...  
17 With the exception of the circumstances described in paragraphs 16A...  
18 The substance of a financial instrument, rather than its legal...  
19 If an entity does not have an unconditional right to...  
20 A financial instrument that does not explicitly establish a contractual...  
Settlement in the entity's own equity instruments (paragraph 16(b))  
21 A contract is not an equity instrument solely because it...  
22 Except as stated in paragraph 22A, a contract that will...  
22A If the entity's own equity instruments to be received, or...  
23 With the exception of the circumstances described in paragraphs 16A...  
24 A contract that will be settled by the entity delivering...  
Contingent settlement provisions  
25 A financial instrument may require the entity to deliver cash...  
Settlement options  
26 When a derivative financial instrument gives one party a choice...  
27 An example of a derivative financial instrument with a settlement...  
Compound financial instruments (see also paragraphs AG30-AG35 and Illustrative Examples...  
28 The issuer of a non-derivative financial instrument shall evaluate the...

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- 29 An entity recognises separately the components of a financial instrument...
- 30 Classification of the liability and equity components of a convertible...
- 31 IFRS 9 deals with the measurement of financial assets and...
- 32 Under the approach described in paragraph 31, the issuer of...  
Treasury shares (see also paragraph AG36)
- 33 If an entity reacquires its own equity instruments, those instruments...
- 34 The amount of treasury shares held is disclosed separately either...  
Interest, dividends, losses and gains (see also paragraph AG37)
- 35 Interest, dividends, losses and gains relating to a financial instrument...
- 35A Income tax relating to distributions to holders of an equity...
- 36 The classification of a financial instrument as a financial liability...
- 37 An entity typically incurs various costs in issuing or acquiring...
- 38 Transaction costs that relate to the issue of a compound...
- 39 The amount of transaction costs accounted for as a deduction...
- 40 Dividends classified as an expense may be presented in the...
- 41 Gains and losses related to changes in the carrying amount...
- Offsetting a financial asset and a financial liability (see also...)
- 42 A financial asset and a financial liability shall be offset...
- 43 This Standard requires the presentation of financial assets and financial...
- 44 Offsetting a recognised financial asset and a recognised financial liability...
- 45 A right of set-off is a debtor's legal right, by...
- 46 The existence of an enforceable right to set off a...
- 47 An entity's intentions with respect to settlement of particular assets...
- 48 Simultaneous settlement of two financial instruments may occur through, for...
- 49 The conditions set out in paragraph 42 are generally not...
- 50 An entity that undertakes a number of financial instrument transactions...

## DISCLOSURE

51-95 [Deleted]

## EFFECTIVE DATE AND TRANSITION

- 96 An entity shall apply this standard for annual periods beginning...
- 96A Puttable Financial Instruments and Obligations Arising on Liquidation (Amendments to...)
- 96B Puttable Financial Instruments and Obligations Arising on Liquidation introduced a...
- 96C The classification of instruments under this exception shall be restricted...
- 97 This standard shall be applied retrospectively.
- 97A IAS 1 (as revised in 2007) amended the terminology used...
- 97B IFRS 3 (as revised in 2008) deleted paragraph 4(c). An...
- 97C When applying the amendments described in paragraph 96A, an entity...
- 97D Paragraph 4 was amended by Improvements to IFRSs issued in...
- 97E Paragraphs 11 and 16 were amended by Classification of Rights...
- 97G Paragraph 97B was amended by Improvements to IFRSs issued in...
- 97I IFRS 10 and IFRS 11, issued in May 2011, amended...
- 97J IFRS 13, issued in May 2011, amended the definition of...
- 97K Presentation of Items of Other Comprehensive Income (Amendments to IAS...



- 97L Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32),...
- 97M Annual Improvements 2009–2011 Cycle , issued in May 2012, amended...
- 97N Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS...
- 97Q IFRS 15 Revenue from Contracts with Customers , issued in...
- 97R IFRS 9, as issued in July 2014, amended paragraphs 3,...
- 97S IFRS 16 Leases , issued in January 2016, amended paragraphs...

#### WITHDRAWAL OF OTHER PRONOUNCEMENTS

- 98 This standard supersedes IAS 32 Financial instruments: disclosure and presentation...
- 99 This standard supersedes the following interpretations:
- 100 This standard withdraws draft SIC Interpretation D34 Financial instruments —...

### Appendix

#### APPLICATION GUIDANCE

- AG1 This Application Guidance explains the application of particular aspects of...
- AG2 The Standard does not deal with the recognition or measurement...

#### DEFINITIONS (PARAGRAPHS 11-14)

##### Financial assets and financial liabilities

- AG3 Currency (cash) is a financial asset because it represents the...
  - AG4 Common examples of financial assets representing a contractual right to...
  - AG5 Another type of financial instrument is one for which the...
  - AG6 ‘Perpetual’ debt instruments (such as ‘perpetual’ bonds, debentures and capital...
  - AG7 A contractual right or contractual obligation to receive, deliver or...
  - AG8 The ability to exercise a contractual right or the requirement...
  - AG9 A lease typically creates an entitlement of the lessor to...
  - AG10 Physical assets (such as inventories, property, plant and equipment), right-of-use...
  - AG11 Assets (such as prepaid expenses) for which the future economic...
  - AG12 Liabilities or assets that are not contractual (such as income...
- ##### Equity instruments
- AG13 Examples of equity instruments include non-puttable ordinary shares, some puttable...
  - AG14 A purchased call option or other similar contract acquired by...
    - The class of instruments that is subordinate to all other...
    - AG14A One of the features of paragraphs 16A and 16C is...
    - AG14B When determining whether an instrument is in the subordinate class,...
    - AG14C An instrument that has a preferential right on liquidation of...
    - AG14D If an entity has only one class of financial instruments,...
    - Total expected cash flows attributable to the instrument over the...
    - AG14E The total expected cash flows of the instrument over the...
    - Transactions entered into by an instrument holder other than as...

AG14F The holder of a puttable financial instrument or an instrument...

AG14G An example is a limited partnership that has limited and...

AG14H Another example is a profit or loss sharing arrangement that...

AG14I The cash flows and contractual terms and conditions of a...

No other financial instrument or contract with total cash flows...

AG14J A condition for classifying as equity a financial instrument that...

#### Derivative financial instruments

AG15 Financial instruments include primary instruments (such as receivables, payables and...

AG16 Derivative financial instruments create rights and obligations that have the...

AG17 A put or call option to exchange financial assets or...

AG18 Another example of a derivative financial instrument is a forward...

AG19 Many other types of derivative instruments embody a right or...

Contracts to buy or sell non-financial items (paragraphs 8-10)

AG20 Contracts to buy or sell non-financial items do not meet...

AG21 Except as required by IFRS 15 Revenue from Contracts with...

AG22 Some contracts are commodity-linked, but do not involve settlement through...

AG23 The definition of a financial instrument also encompasses a contract...

AG24 [Deleted]

#### PRESENTATION

##### Liabilities and equity (paragraphs 15-27)

No contractual obligation to deliver cash or another financial asset...

AG25 Preference shares may be issued with various rights. In determining...

AG26 When preference shares are non-redeemable, the appropriate classification is determined...

Settlement in the entity's own equity instruments (paragraphs 21-24)

AG27 The following examples illustrate how to classify different types of...

Contingent settlement provisions (paragraph 25)

AG28 Paragraph 25 requires that if a part of a contingent...

Treatment in consolidated financial statements

AG29 In consolidated financial statements, an entity presents non-controlling interests—ie the...

AG29A Some types of instruments that impose a contractual obligation on...

##### Compound financial instruments (paragraphs 28-32)

AG30 Paragraph 28 applies only to issuers of non-derivative compound financial...

AG31 A common form of compound financial instrument is a debt...

AG32 On conversion of a convertible instrument at maturity, the entity...

AG33 When an entity extinguishes a convertible instrument before maturity through...

AG34 Once the allocation of the consideration is made, any resulting...

AG35 An entity may amend the terms of a convertible instrument...

Treasury shares (paragraphs 33 and 34)

AG36 An entity's own equity instruments are not recognised as a...

Interest, dividends, losses and gains (paragraphs 35-41)

AG37 The following example illustrates the application of paragraph 35 to...  
Offsetting a financial asset and a financial liability (paragraphs 42-50)...

AG38 . . . . .

Criterion that an entity ‘ currently has a legally enforceable...

AG38A A right of set-off may be currently available or it...

AG38B To meet the criterion in paragraph 42(a), an entity must...

AG38C The nature and extent of the right of set-off, including...

AG38D The laws applicable to the relationships between the parties  
(for...

Criterion that an entity ‘ intends either to settle on...

AG38E To meet the criterion in paragraph 42(b) an entity must...

AG38F If an entity can settle amounts in a manner such...

AG39 The standard does not provide special treatment for so-called  
‘synthetic...

#### DISCLOSURE

Financial assets and financial liabilities at fair value through profit...

AG40 [Deleted]

### INTERNATIONAL ACCOUNTING STANDARD 33

#### Earnings per share

#### OBJECTIVE

1 The objective of this standard is to prescribe principles for...

#### SCOPE

2 This standard shall apply to:

3 An entity that discloses earnings per share shall calculate and...

4 When an entity presents both consolidated financial statements and separate...

4A If an entity presents items of profit or loss in...

#### DEFINITIONS

5 The following terms are used in this standard with the...

6 Ordinary shares participate in profit for the period only after...

7 Examples of potential ordinary shares are:

8 Terms defined in IAS 32 Financial Instruments: Presentation are used...

#### MEASUREMENT

Basic earnings per share

9 An entity shall calculate basic earnings per share amounts for...

10 Basic earnings per share shall be calculated by dividing profit...

11 The objective of basic earnings per share information is to...

Earnings

12 For the purpose of calculating basic earnings per share, the...

13 All items of income and expense attributable to ordinary  
equity...

14 The after-tax amount of preference dividends that is deducted  
from...

15 Preference shares that provide for a low initial dividend to...

16 Preference shares may be repurchased under an entity's tender  
offer...

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- 17 Early conversion of convertible preference shares may be induced by...
- 18 Any excess of the carrying amount of preference shares over...
- Shares
- 19 For the purpose of calculating basic earnings per share, the...
- 20 Using the weighted average number of ordinary shares outstanding during...
- 21 Shares are usually included in the weighted average number of...
- 22 Ordinary shares issued as part of the consideration transferred in...
- 23 Ordinary shares that will be issued upon the conversion of...
- 24 Contingently issuable shares are treated as outstanding and are included...
- 25 [Deleted]
- 26 The weighted average number of ordinary shares outstanding during the...
- 27 Ordinary shares may be issued, or the number of ordinary...
- 28 In a capitalisation or bonus issue or a share split,...
- 29 A consolidation of ordinary shares generally reduces the number of...
- Diluted earnings per share
- 30 An entity shall calculate diluted earnings per share amounts for...
- 31 For the purpose of calculating diluted earnings per share, an...
- 32 The objective of diluted earnings per share is consistent with...
- Earnings
- 33 For the purpose of calculating diluted earnings per share, an...
- 34 After the potential ordinary shares are converted into ordinary shares,...
- 35 The conversion of potential ordinary shares may lead to consequential...
- Shares
- 36 For the purpose of calculating diluted earnings per share, the...
- 37 Dilutive potential ordinary shares shall be determined independently for each...
- 38 Potential ordinary shares are weighted for the period they are...
- 39 The number of ordinary shares that would be issued on...
- 40 A subsidiary, joint venture or associate may issue to parties...
- Dilutive potential ordinary shares
- 41 Potential ordinary shares shall be treated as dilutive when, and...
- 42 An entity uses profit or loss from continuing operations attributable...
- 43 Potential ordinary shares are antidilutive when their conversion to ordinary...
- 44 In determining whether potential ordinary shares are dilutive or antidilutive,...
- Options, warrants and their equivalents
- 45 For the purpose of calculating diluted earnings per share, an...
- 46 Options and warrants are dilutive when they would result in...

- 47 Options and warrants have a dilutive effect only when the...
- 47A For share options and other share-based payment arrangements to which...
- 48 Employee share options with fixed or determinable terms and non-vested...
- Convertible instruments
- 49 The dilutive effect of convertible instruments shall be reflected in...
- 50 Convertible preference shares are antidilutive whenever the amount of the...
- 51 The redemption or induced conversion of convertible preference shares may...
- Contingently issuable shares
- 52 As in the calculation of basic earnings per share, contingently...
- 53 If attainment or maintenance of a specified amount of earnings...
- 54 The number of ordinary shares contingently issuable may depend on...
- 55 The number of ordinary shares contingently issuable may depend on...
- 56 In other cases, the number of ordinary shares contingently issuable...
- 57 Contingently issuable potential ordinary shares (other than those covered by...
- Contracts that may be settled in ordinary shares or cash...
- 58 When an entity has issued a contract that may be...
- 59 When such a contract is presented for accounting purposes as...
- 60 For contracts that may be settled in ordinary shares or...
- 61 An example of a contract that may be settled in...
- Purchased options
- 62 Contracts such as purchased put options and purchased call options...
- Written put options
- 63 Contracts that require the entity to repurchase its own shares,...

#### RETROSPECTIVE ADJUSTMENTS

- 64 If the number of ordinary or potential ordinary shares outstanding...
- 65 An entity does not restate diluted earnings per share of...

#### PRESENTATION

- 66 An entity shall present in the statement of comprehensive income...
- 67 Earnings per share is presented for every period for which...
- 67A If an entity presents items of profit or loss in...
- 68 An entity that reports a discontinued operation shall disclose the...
- 68A If an entity presents items of profit or loss in...
- 69 An entity shall present basic and diluted earnings per share,...

#### DISCLOSURE

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- 70 An entity shall disclose the following:
- 71 Examples of transactions in paragraph 70(d) include:
- 72 Financial instruments and other contracts generating potential ordinary shares  
may...
- 73 If an entity discloses, in addition to basic and diluted...
- 73A Paragraph 73 applies also to an entity that discloses, in...

#### EFFECTIVE DATE

- 74 An entity shall apply this standard for annual periods beginning...
- 74A IAS 1 (as revised in 2007) amended the terminology used...
- 74B IFRS 10 and IFRS 11 Joint Arrangements , issued in...
- 74C IFRS 13, issued in May 2011, amended paragraphs 8, 47A...
- 74D Presentation of Items of Other Comprehensive Income (Amendments to IAS...
- 74E IFRS 9 Financial Instruments , as issued in July 2014,...

#### WITHDRAWAL OF OTHER PRONOUNCEMENTS

- 75 This standard supersedes IAS 33 Earnings per share (issued in...
- 76 This standard supersedes SIC-24 Earnings per share — financial instruments...

### Appendix A

#### APPLICATION GUIDANCE

#### PROFIT OR LOSS ATTRIBUTABLE TO THE PARENT ENTITY

- A1 For the purpose of calculating earnings per share based on...

#### RIGHTS ISSUES

- A2 The issue of ordinary shares at the time of exercise...

#### CONTROL NUMBER

- A3 To illustrate the application of the control number notion described...

#### AVERAGE MARKET PRICE OF ORDINARY SHARES

- A4 For the purpose of calculating diluted earnings per share, the...
- A5 Generally, closing market prices are adequate for calculating the average...

#### OPTIONS, WARRANTS AND THEIR EQUIVALENTS

- A6 Options or warrants to purchase convertible instruments are assumed to...
- A7 Options or warrants may permit or require the tendering of...
- A8 Similar treatment is given to preference shares that have similar...
- A9 The underlying terms of certain options or warrants may require...

#### WRITTEN PUT OPTIONS

- A10 To illustrate the application of paragraph 63, assume that an...

#### INSTRUMENTS OF SUBSIDIARIES, JOINT VENTURES OR ASSOCIATES

- A11 Potential ordinary shares of a subsidiary, joint venture or associate...
- A12 For the purpose of determining the earnings per share effect...

## PARTICIPATING EQUITY INSTRUMENTS AND TWO-CLASS ORDINARY SHARES

- A13 The equity of some entities includes:
- A14 For the purpose of calculating diluted earnings per share, conversion...

### PARTLY PAID SHARES

- A15 Where ordinary shares are issued but not fully paid, they...
- A16 To the extent that partly paid shares are not entitled...

## INTERNATIONAL ACCOUNTING STANDARD 34

### Interim financial reporting

#### OBJECTIVE

#### SCOPE

- 1 This standard does not mandate which entities should be required...
- 2 Each financial report, annual or interim, is evaluated on its...
- 3 If an entity's interim financial report is described as complying...

#### DEFINITIONS

- 4 The following terms are used in this standard with the...

#### CONTENT OF AN INTERIM FINANCIAL REPORT

- 5 IAS 1 defines a complete set of financial statements as...
- 6 In the interest of timeliness and cost considerations and to...
- 7 Nothing in this standard is intended to prohibit or discourage...  
Minimum components of an interim financial report
- 8 An interim financial report shall include, at a minimum, the...
- 8A If an entity presents items of profit or loss in...
- Form and content of interim financial statements
- 9 If an entity publishes a complete set of financial statements...
- 10 If an entity publishes a set of condensed financial statements...
- 11 In the statement that presents the components of profit or...
- 11A If an entity presents items of profit or loss in...
- 12 IAS 1 (as revised in 2007) provides guidance on the...
- 13 . . . . .
- 14 An interim financial report is prepared on a consolidated basis...
- Significant events and transactions
- 15 An entity shall include in its interim financial report an...
- 15A A user of an entity's interim financial report will have...
- 15B The following is a list of events and transactions for...
- 15C Individual IFRSs provide guidance regarding disclosure requirements for many of...
- 16 An entity shall include the following information, as a minimum,...  
Other disclosures
- 16A In addition to disclosing significant events and transactions in accordance...
- 17 Examples of the kinds of disclosures that are required by...

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Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- 18 . . . . .
- Disclosure of compliance with IFRSs
- 19 If an entity's interim financial report is in compliance with...
- Periods for which interim financial statements are required to be...
- 20 Interim reports shall include interim financial statements (condensed  
or complete)...
- 21 For an entity whose business is highly seasonal, financial information...
- 22 Appendix A illustrates the periods required to be presented by...
- Materiality
- 23 In deciding how to recognise, measure, classify, or disclose an...
- 24 IAS 1 defines material information and requires separate disclosure  
of...
- 25 While judgement is always required in assessing materiality, this  
standard...

#### DISCLOSURE IN ANNUAL FINANCIAL STATEMENTS

- 26 If an estimate of an amount reported in an interim...
- 27 IAS 8 requires disclosure of the nature and (if practicable)...

#### RECOGNITION AND MEASUREMENT

- Same accounting policies as annual
- 28 An entity shall apply the same accounting policies in its...
- 29 Requiring that an entity apply the same accounting policies in...
- 30 To illustrate:
- 31 Under the Conceptual Framework for Financial Reporting  
( Conceptual Framework...
- 32 For assets, the same tests of future economic benefits apply...
- 33 An essential characteristic of income (revenue) and expenses is that...
- 34 In measuring the assets, liabilities, income, expenses, and cash flows...
- 35 An entity that reports half-yearly uses information available by mid-  
year...
- 36 An entity that reports more frequently than half-yearly measures  
income...
- Revenues received seasonally, cyclically, or occasionally
- 37 Revenues that are received seasonally, cyclically, or occasionally  
within a...
- 38 Examples include dividend revenue, royalties, and government grants.  
Additionally, some...
- Costs incurred unevenly during the financial year
- 39 Costs that are incurred unevenly during an entity's financial year...
- Applying the recognition and measurement principles
- 40 Appendix B provides examples of applying the general recognition  
and...
- Use of estimates
- 41 The measurement procedures to be followed in an interim financial...
- 42 Appendix C provides examples of the use of estimates in...

#### RESTATEMENT OF PREVIOUSLY REPORTED INTERIM PERIODS

- 43 A change in accounting policy, other than one for which...
- 44 One objective of the preceding principle is to ensure that...
- 45 To allow accounting changes to be reflected as of an...

#### EFFECTIVE DATE



- 46 This standard becomes operative for financial statements covering periods beginning...
- 47 IAS 1 (as revised in 2007) amended the terminology used...
- 48 IFRS 3 (as revised by the International Accounting Standards Board...
- 49 Paragraph 15 was amended, paragraphs 15A–15C and 16A were added...
- 50 IFRS 13, issued in May 2011, added paragraph 16A(j). An...
- 51 Presentation of Items of Other Comprehensive Income (Amendments to IAS...
- 52 Annual Improvements 2009–2011 Cycle , issued in May 2012, amended...
- 53 Annual Improvements 2009–2011 Cycle , issued in May 2012, amended...
- 54 Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS...
- 55 IFRS 15 Revenue from Contracts with Customers , issued in...
- 56 Annual Improvements to IFRSs 2012–2014 Cycle , issued in September...
- 57 Disclosure Initiative (Amendments to IAS 1), issued in December 2014,...
- 58 Amendments to References to the Conceptual Framework in IFRS Standards...
- 58 Definition of Material (Amendments to IAS 1 and IAS 8),...

## INTERNATIONAL ACCOUNTING STANDARD 36

### Impairment of assets

#### OBJECTIVE

- 1 The objective of this standard is to prescribe the procedures...

#### SCOPE

- 2 This Standard shall be applied in accounting for the impairment...
- 3 This standard does not apply to inventories, assets arising from...
- 4 This Standard applies to financial assets classified as:
- 5 This Standard does not apply to financial assets within the...

#### DEFINITIONS

- 6 The following terms are used in this Standard with the...

#### IDENTIFYING AN ASSET THAT MAY BE IMPAIRED

- 7 Paragraphs 8–17 specify when recoverable amount shall be determined. These...
- 8 An asset is impaired when its carrying amount exceeds its...
- 9 An entity shall assess at the end of each reporting...
- 10 Irrespective of whether there is any indication of impairment, an...
- 11 The ability of an intangible asset to generate sufficient future...
- 12 In assessing whether there is any indication that an asset...
- 13 The list in paragraph 12 is not exhaustive. An entity...
- 14 Evidence from internal reporting that indicates that an asset may...
- 15 As indicated in paragraph 10, this standard requires an intangible...
- 16 As an illustration of paragraph 15, if market interest rates...
- 17 If there is an indication that an asset may be...

#### MEASURING RECOVERABLE AMOUNT

- 18 This standard defines recoverable amount as the higher of an...
- 19 It is not always necessary to determine both an asset's...
- 20 It may be possible to measure fair value less costs...
- 21 If there is no reason to believe that an asset's...
- 22 Recoverable amount is determined for an individual asset, unless the...
- 23 In some cases, estimates, averages and computational short cuts may...

**Changes to legislation:** There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- Measuring the recoverable amount of an intangible asset with an...
- 24 Paragraph 10 requires an intangible asset with an indefinite useful...
- Fair value less costs of disposal
- 25 . . . . .
- 26 . . . . .
- 27 . . . . .
- 28 Costs of disposal, other than those that have been recognised...
- 29 Sometimes, the disposal of an asset would require the buyer...
- Value in use
- 30 The following elements shall be reflected in the calculation of...
- 31 Estimating the value in use of an asset involves the...
- 32 The elements identified in paragraph 30(b), (d) and (e) can...
- Basis for estimates of future cash flows
- 33 In measuring value in use an entity shall:
- 34 Management assesses the reasonableness of the assumptions  
on which its...
- 35 Detailed, explicit and reliable financial budgets/forecasts of  
future cash flows...
- 36 Cash flow projections until the end of an asset's useful...
- 37 When conditions are favourable, competitors are likely to enter  
the...
- 38 In using information from financial budgets/forecasts, an  
entity considers whether...
- Composition of estimates of future cash flows
- 39 Estimates of future cash flows shall include:
- 40 Estimates of future cash flows and the discount rate reflect...
- 41 Projections of cash outflows include those for the day-to-day  
servicing...
- 42 When the carrying amount of an asset does not yet...
- 43 To avoid double-counting, estimates of future cash flows do  
not...
- 44 Future cash flows shall be estimated for the asset in...
- 45 Because future cash flows are estimated for the asset in...
- 46 A restructuring is a programme that is planned and controlled...
- 47 When an entity becomes committed to a restructuring, some  
assets...
- 48 Until an entity incurs cash outflows that improve or enhance...
- 49 Estimates of future cash flows include future cash outflows  
necessary...
- 50 Estimates of future cash flows shall not include:
- 51 Estimated future cash flows reflect assumptions that are  
consistent with...
- 52 The estimate of net cash flows to be received (or...
- 53 The estimate of net cash flows to be received (or...
- 53A Fair value differs from value in use. Fair value reflects...
- Foreign currency future cash flows
- 54 Future cash flows are estimated in the currency in which...
- Discount rate
- 55 The discount rate (rates) shall be a pre-tax rate (rates)...
- 56 A rate that reflects current market assessments of the time...
- 57 When an asset-specific rate is not directly available from the...

- 58 Paragraphs 59–64 set out the requirements for recognising and measuring...
- 59 If, and only if, the recoverable amount of an asset...
- 60 An impairment loss shall be recognised immediately in profit or...
- 61 An impairment loss on a non-revalued asset is recognised in...
- 62 When the amount estimated for an impairment loss is greater...
- 63 After the recognition of an impairment loss, the depreciation (amortisation)...
- 64 If an impairment loss is recognised, any related deferred tax...

#### CASH-GENERATING UNITS AND GOODWILL

- 65 Paragraphs 66–108 and Appendix C set out the requirements for...
  - Identifying the cash-generating unit to which an asset belongs
    - 66 If there is any indication that an asset may be...
    - 67 The recoverable amount of an individual asset cannot be determined...
      - Example
    - 68 As defined in paragraph 6, an asset's cash-generating unit is...
      - Example
    - 69 Cash inflows are inflows of cash and cash equivalents received...
    - 70 If an active market exists for the output produced by...
    - 71 Even if part or all of the output produced by...
    - 72 Cash-generating units shall be identified consistently from period to period...
    - 73 If an entity determines that an asset belongs to a...
      - Recoverable amount and carrying amount of a cash-generating unit
    - 74 The recoverable amount of a cash-generating unit is the higher...
    - 75 The carrying amount of a cash-generating unit shall be determined...
    - 76 The carrying amount of a cash-generating unit:
    - 77 When assets are grouped for recoverability assessments, it is important...
    - 78 It may be necessary to consider some recognised liabilities to...
      - Example
    - 79 For practical reasons, the recoverable amount of a cash-generating unit...
      - Goodwill
        - Allocating goodwill to cash-generating units
    - 80 For the purpose of impairment testing, goodwill acquired in a...
    - 81 Goodwill recognised in a business combination is an asset representing...
    - 82 Applying the requirements in paragraph 80 results in goodwill being...
    - 83 A cash-generating unit to which goodwill is allocated for the...
    - 84 If the initial allocation of goodwill acquired in a business...
    - 85 In accordance with IFRS 3 Business Combinations , if the...
    - 86 If goodwill has been allocated to a cash-generating unit and...
      - Example
    - 87 If an entity reorganises its reporting structure in a way...
      - Example

Testing cash-generating units with goodwill for impairment

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- 88 When, as described in paragraph 81, goodwill relates to a...
- 89 If a cash-generating unit described in paragraph 88 includes in...
- 90 A cash-generating unit to which goodwill has been allocated shall...
- Minority interest
- 91 In accordance with IFRS 3, goodwill recognised in a business...
- 92 .....
- 93 .....
- 94 .....
- 95 .....
- Timing of impairment tests
- 96 The annual impairment test for a cash-generating unit to which...
- 97 If the assets constituting the cash-generating unit to which goodwill...
- 98 At the time of impairment testing a cash-generating unit to...
- 99 The most recent detailed calculation made in a preceding period...
- Corporate assets
- 100 Corporate assets include group or divisional assets such as the...
- 101 Because corporate assets do not generate separate cash inflows, the...
- 102 In testing a cash-generating unit for impairment, an entity shall...
- 103 Illustrative Example 8 illustrates the application of these requirements to...
- Impairment loss for a cash-generating unit
- 104 An impairment loss shall be recognised for a cash-generating unit...
- 105 In allocating an impairment loss in accordance with paragraph 104,...
- 106 If it is not practicable to estimate the recoverable amount...
- 107 If the recoverable amount of an individual asset cannot be...
- Example
- 108 After the requirements in paragraphs 104 and 105 have been...

#### REVERSING AN IMPAIRMENT LOSS

- 109 Paragraphs 110-116 set out the requirements for reversing an impairment...
- 110 An entity shall assess at the end of each reporting...
- 111 In assessing whether there is any indication that an impairment...
- 112 Indications of a potential decrease in an impairment loss in...
- 113 If there is an indication that an impairment loss recognised...
- 114 An impairment loss recognised in prior periods for an asset...
- 115 A reversal of an impairment loss reflects an increase in...
- 116 An asset's value in use may become greater than the...
- Reversing an impairment loss for an individual asset
- 117 The increased carrying amount of an asset other than goodwill...
- 118 Any increase in the carrying amount of an asset other...
- 119 A reversal of an impairment loss for an asset other...
- 120 A reversal of an impairment loss on a revalued asset...

- 121 After a reversal of an impairment loss is recognised, the...  
Reversing an impairment loss for a cash-generating unit
- 122 A reversal of an impairment loss for a cash-generating unit...
- 123 In allocating a reversal of an impairment loss for a...  
Reversing an impairment loss for goodwill
- 124 An impairment loss recognised for goodwill shall not be reversed...
- 125 IAS 38 Intangible assets prohibits the recognition of internally  
generated...

## DISCLOSURE

- 126 An entity shall disclose the following for each class of...
- 127 A class of assets is a grouping of assets of...
- 128 The information required in paragraph 126 may be presented with...
- 129 An entity that reports segment information in accordance with IFRS...
- 130 An entity shall disclose the following for an individual asset...
- 131 An entity shall disclose the following information for the aggregate...
- 132 An entity is encouraged to disclose assumptions used to determine...
- 133 If, in accordance with paragraph 84, any portion of the...  
Estimates used to measure recoverable amounts of cash-generating units  
containing...
- 134 An entity shall disclose the information required by (a)–(f) for...
- 135 If some or all of the carrying amount of goodwill...
- 136 The most recent detailed calculation made in a preceding period...
- 137 Illustrative Example 9 illustrates the disclosures required by  
paragraphs 134...
- Transitional provisions and effective date
- 138 . . . . .
- 139 An entity shall apply this Standard:
- 140 Entities to which paragraph 139 applies are encouraged to apply...
- 140A IAS 1 Presentation of Financial Statements (as revised in 2007)...
- 140B IFRS 3 (as revised by the International Accounting Standards Board...
- 140C Paragraph 134(e) was amended by Improvements to IFRSs issued in...
- 140D Cost of an Investment in a Subsidiary, Jointly Controlled Entity...
- 140E Improvements to IFRSs issued in April 2009 amended paragraph  
80(b)....
- 140H IFRS 10 and IFRS 11, issued in May 2011, amended...
- 140I IFRS 13, issued in May 2011, amended paragraphs 5, 6,...
- 140J In May 2013 paragraphs 130 and 134 and the heading...
- 140L IFRS 15 Revenue from Contracts with Customers, issued in...
- 140M IFRS 9, as issued in July 2014, amended paragraphs 2,...
- Withdrawal of IAS 36 (issued 1998)
- 141 This standard supersedes IAS 36 Impairment of assets (issued in...

## Appendix A

### USING PRESENT VALUE TECHNIQUES TO MEASURE VALUE IN USE

The components of a present value measurement

- A1 The following elements together capture the economic differences between  
assets:...
- A2 This appendix contrasts two approaches to computing present value, either...

## General principles

A3 The techniques used to estimate future cash flows and interest...

## Traditional and expected cash flow approaches to present value

## Traditional approach

A4 Accounting applications of present value have traditionally used a single...

A5 In some circumstances, such as those in which comparable assets...

A6 However, the traditional approach may not appropriately address some complex...

## Expected cash flow approach

A7 The expected cash flow approach is, in some situations, a...

A8 The expected cash flow approach also allows use of present...

A9 The expected present value of CU892,36 differs from the traditional...

A10 The use of probabilities is an essential element of the...

A11 Many estimates developed in current practice already incorporate the elements...

A12 The application of an expected cash flow approach is subject...

A13 Some maintain that expected cash flow techniques are inappropriate for...

A14 Assertions like the one just outlined reflect underlying disagreement with...

## Discount rate

A15 Whichever approach an entity adopts for measuring the value in...

A16 When an asset-specific rate is not directly available from the...

A17 As a starting point in making such an estimate, the...

A18 However, these rates must be adjusted:

A19 The discount rate is independent of the entity's capital structure...

A20 Paragraph 55 requires the discount rate used to be a...

A21 An entity normally uses a single discount rate for the...

## Appendix C

## Impairment testing cash-generating units with goodwill and non-controlling interests

C1 In accordance with IFRS 3 (as revised by the International...

## Allocation of goodwill

C2 Paragraph 80 of this Standard requires goodwill acquired in a...

## Testing for impairment

C3 Testing for impairment involves comparing the recoverable amount of a...

C4 If an entity measures non-controlling interests as its proportionate interest...

## Allocating an impairment loss

C5 Paragraph 104 requires any identified impairment loss to be allocated...

C6 If a subsidiary, or part of a subsidiary, with a...

C7 If a subsidiary, or part of a subsidiary, with a...

C8 If an impairment loss attributable to a non-controlling interest relates...

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- C9 Illustrative Example 7 illustrates the impairment testing of a non-wholly-owned...

## INTERNATIONAL ACCOUNTING STANDARD 37

### Provisions, contingent liabilities and contingent assets

#### OBJECTIVE

#### SCOPE

- 1 This standard shall be applied by all entities in accounting...
- 2 This Standard does not apply to financial instruments (including guarantees)...
- 3 Executory contracts are contracts under which neither party has performed...
- 4 [Deleted]
- 5 When another Standard deals with a specific type of provision,...
- 6 . . . . .
- 7 This standard defines provisions as liabilities of uncertain timing or...
- 8 Other standards specify whether expenditures are treated as assets or...
- 9 This standard applies to provisions for restructurings (including discontinued operations)....

#### DEFINITIONS

- 10 The following terms are used in this standard with the...  
Provisions and other liabilities
- 11 Provisions can be distinguished from other liabilities such as trade...
- Relationship between provisions and contingent liabilities
- 12 In a general sense, all provisions are contingent because they...
- 13 This standard distinguishes between:

#### RECOGNITION

##### Provisions

- 14 A provision shall be recognised when:  
Present obligation
- 15 In rare cases it is not clear whether there is...
- 16 In almost all cases it will be clear whether a...
- Past event
- 17 A past event that leads to a present obligation is...
- 18 Financial statements deal with the financial position of an entity...
- 19 It is only those obligations arising from past events existing...
- 20 An obligation always involves another party to whom the obligation...
- 21 An event that does not give rise to an obligation...
- 22 Where details of a proposed new law have yet to...
- Probable outflow of resources embodying economic benefits
- 23 For a liability to qualify for recognition there must be...
- 24 Where there are a number of similar obligations (e.g. product...
- Reliable estimate of the obligation
- 25 The use of estimates is an essential part of the...
- 26 In the extremely rare case where no reliable estimate can...

##### Contingent liabilities

- 27 An entity shall not recognise a contingent liability.

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- 28 A contingent liability is disclosed, as required by paragraph 86,...
- 29 Where an entity is jointly and severally liable for an...
- 30 Contingent liabilities may develop in a way not initially expected....
- Contingent assets
- 31 An entity shall not recognise a contingent asset.
- 32 Contingent assets usually arise from unplanned or other unexpected events...
- 33 Contingent assets are not recognised in financial statements since this...
- 34 A contingent asset is disclosed, as required by paragraph 89,...
- 35 Contingent assets are assessed continually to ensure that developments are...

## MEASUREMENT

- Best estimate
- 36 The amount recognised as a provision shall be the best...
- 37 The best estimate of the expenditure required to settle the...
- 38 The estimates of outcome and financial effect are determined by...
- 39 Uncertainties surrounding the amount to be recognised as a provision...
- Example
- 40 Where a single obligation is being measured, the individual most...
- 41 The provision is measured before tax, as the tax consequences...
- Risks and uncertainties
- 42 The risks and uncertainties that inevitably surround many events and...
- 43 Risk describes variability of outcome. A risk adjustment may increase...
- 44 Disclosure of the uncertainties surrounding the amount of the expenditure...
- Present value
- 45 Where the effect of the time value of money is...
- 46 Because of the time value of money, provisions relating to...
- 47 The discount rate (or rates) shall be a pre-tax rate...
- Future events
- 48 Future events that may affect the amount required to settle...
- 49 Expected future events may be particularly important in measuring provisions....
- 50 The effect of possible new legislation is taken into consideration...
- Expected disposal of assets
- 51 Gains from the expected disposal of assets shall not be...
- 52 Gains on the expected disposal of assets are not taken...

## REIMBURSEMENTS

- 53 Where some or all of the expenditure required to settle...
- 54 In the statement of comprehensive income, the expense relating to...
- 55 Sometimes, an entity is able to look to another party...
- 56 In most cases the entity will remain liable for the...
- 57 In some cases, the entity will not be liable for...
- 58 As noted in paragraph 29, an obligation for which an...

## CHANGES IN PROVISIONS

- 59 Provisions shall be reviewed at the end of each reporting...
- 60 Where discounting is used, the carrying amount of a provision...

## USE OF PROVISIONS



- 61 A provision shall be used only for expenditures for which...  
62 Only expenditures that relate to the original provision are set...

#### APPLICATION OF THE RECOGNITION AND MEASUREMENT RULES

##### Future operating losses

- 63 Provisions shall not be recognised for future operating losses.  
64 Future operating losses do not meet the definition of a...  
65 An expectation of future operating losses is an indication that...

##### Onerous contracts

- 66 If an entity has a contract that is onerous, the...  
67 Many contracts (for example, some routine purchase orders) can be...  
68 This standard defines an onerous contract as a contract in...  
69 Before a separate provision for an onerous contract is established,...

##### Restructuring

- 70 The following are examples of events that may fall under...  
71 A provision for restructuring costs is recognised only when the...  
72 A constructive obligation to restructure arises only when an entity:...  
73 Evidence that an entity has started to implement a restructuring...  
74 For a plan to be sufficient to give rise to...  
75 A management or board decision to restructure taken before the...  
76 Although a constructive obligation is not created solely by a...  
77 In some countries, the ultimate authority is vested in a...  
78 No obligation arises for the sale of an operation until...  
79 Even when an entity has taken a decision to sell...  
80 A restructuring provision shall include only the direct expenditures arising...  
81 A restructuring provision does not include such costs as:  
82 Identifiable future operating losses up to the date of a...  
83 As required by paragraph 51, gains on the expected disposal...

#### DISCLOSURE

- 84 For each class of provision, an entity shall disclose:  
85 An entity shall disclose the following for each class of...  
86 Unless the possibility of any outflow in settlement is remote,...  
87 In determining which provisions or contingent liabilities may be aggregated...  
88 Where a provision and a contingent liability arise from the...  
89 Where an inflow of economic benefits is probable, an entity...  
90 It is important that disclosures for contingent assets avoid giving...  
91 Where any of the information required by paragraphs 86 and...  
92 In extremely rare cases, disclosure of some or all of...

#### TRANSITIONAL PROVISIONS

- 93 The effect of adopting this standard on its effective date...  
94 [Deleted]

#### EFFECTIVE DATE

- 95 This standard becomes operative for annual financial statements covering periods...  
96 [Deleted]  
99 Annual Improvements to IFRSs 2010–2012 Cycle, issued in December...  
100 IFRS 15 Revenue from Contracts with Customers, issued in...  
101 IFRS 9, as issued in July 2014, amended paragraph 2...  
102 IFRS 16, issued in January 2016, amended paragraph 5. An...

## 104 Definition of Material (Amendments to IAS 1 and IAS 8),...

## INTERNATIONAL ACCOUNTING STANDARD 38

## Intangible assets

## OBJECTIVE

1 The objective of this standard is to prescribe the accounting...

## SCOPE

- 2 This standard shall be applied in accounting for intangible assets,...
- 3 If another Standard prescribes the accounting for a specific type...
- 4 Some intangible assets may be contained in or on a...
- 5 This standard applies to, among other things, expenditure on advertising,...
- 6 Rights held by a lessee under licensing agreements for items...
- 7 Exclusions from the scope of a standard may occur if...

## DEFINITIONS

- 8 The following terms are used in this Standard with the...
- Intangible assets
- 9 Entities frequently expend resources, or incur liabilities, on the acquisition,...
- 10 Not all the items described in paragraph 9 meet the...
- Identifiability
- 11 The definition of an intangible asset requires an intangible asset...
- 12 An asset is identifiable if it either:
- Control
- 13 An entity controls an asset if the entity has the...
- 14 Market and technical knowledge may give rise to future economic...
- 15 An entity may have a team of skilled staff and...
- 16 An entity may have a portfolio of customers or a...
- Future economic benefits
- 17 The future economic benefits flowing from an intangible asset may...

## RECOGNITION AND MEASUREMENT

- 18 The recognition of an item as an intangible asset requires...
- 19 Paragraphs 25-32 deal with the application of the recognition criteria...
- 20 The nature of intangible assets is such that, in many...
- 21 An intangible asset shall be recognised if, and only if:...
- 22 An entity shall assess the probability of expected future economic...
- 23 An entity uses judgement to assess the degree of certainty...
- 24 An intangible asset shall be measured initially at cost.
- Separate acquisition
- 25 Normally, the price an entity pays to acquire separately an...
- 26 In addition, the cost of a separately acquired intangible asset...
- 27 The cost of a separately acquired intangible asset comprises:
- 28 Examples of directly attributable costs are:
- 29 Examples of expenditures that are not part of the cost...
- 30 Recognition of costs in the carrying amount of an intangible...

- 31 Some operations occur in connection with the development of an...  
32 If payment for an intangible asset is deferred beyond normal...  
Acquisition as part of a business combination  
33 In accordance with IFRS 3 Business Combinations , if an...  
34 In accordance with this Standard and IFRS 3 (as revised...  
Intangible asset acquired in a business combination  
35 If an intangible asset acquired in a business combination is...  
36 An intangible asset acquired in a business combination might  
be...  
37 The acquirer may recognise a group of complementary  
intangible assets...  
38 The only circumstances in which it might not be possible...  
39 .....  
40 .....  
41 Entities that are involved in the purchase and sale of...  
Subsequent expenditure on an acquired in-process research and  
development project...  
42 Research or development expenditure that:  
43 Applying the requirements in paragraphs 54-62 means that  
subsequent expenditure...  
Acquisition by way of a government grant  
44 In some cases, an intangible asset may be acquired free...  
Exchanges of assets  
45 One or more intangible assets may be acquired in exchange...  
46 An entity determines whether an exchange transaction has commercial  
substance...  
47 Paragraph 21(b) specifies that a condition for the recognition of...  
Internally generated goodwill  
48 Internally generated goodwill shall not be recognised as an asset...  
49 In some cases, expenditure is incurred to generate future economic...  
50 Differences between the fair value of an entity and the...  
Internally generated intangible assets  
51 It is sometimes difficult to assess whether an internally generated...  
52 To assess whether an internally generated intangible asset meets the...  
53 If an entity cannot distinguish the research phase from the...  
Research phase  
54 No intangible asset arising from research (or from the  
research...  
55 In the research phase of an internal project, an entity...  
56 Examples of research activities are:  
Development phase  
57 An intangible asset arising from development (or from the  
development...  
58 In the development phase of an internal project, an entity...  
59 Examples of development activities are:  
60 To demonstrate how an intangible asset will generate probable  
future...  
61 Availability of resources to complete, use and obtain the  
benefits...  
62 An entity's costing systems can often measure reliably the  
cost...  
63 Internally generated brands, mastheads, publishing titles,  
customer lists and items...

*Changes to legislation:* There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- 64 Expenditure on internally generated brands, mastheads,  
publishing titles, customer lists...  
Cost of an internally generated intangible asset
- 65 The cost of an internally generated intangible asset for the...
- 66 The cost of an internally generated intangible asset comprises  
all...
- 67 The following are not components of the cost of an...  
Example illustrating paragraph 65

#### RECOGNITION OF AN EXPENSE

- 68 Expenditure on an intangible item shall be recognised as an...
- 69 In some cases, expenditure is incurred to provide future economic...
- 69A An entity has a right to access goods when it...
- 70 Paragraph 68 does not preclude an entity from recognising a...  
Past expenses not to be recognised as an asset
- 71 Expenditure on an intangible item that was initially recognised as...

#### MEASUREMENT AFTER RECOGNITION

- 72 An entity shall choose either the cost model in paragraph...
- 73 A class of intangible assets is a grouping of assets...  
Cost model
- 74 After initial recognition, an intangible asset shall be carried at...
- Revaluation model
- 75 After initial recognition, an intangible asset shall be carried at...
- 76 The revaluation model does not allow:
- 77 The revaluation model is applied after an asset has been...
- 78 It is uncommon for an active market to exist for...
- 79 The frequency of revaluations depends on the volatility of the...
- 80 When an intangible asset is revalued, the carrying amount of...
- 81 If an intangible asset in a class of revalued intangible...
- 82 If the fair value of a revalued intangible asset can...
- 83 The fact that an active market no longer exists for...
- 84 If the fair value of the asset can be measured...
- 85 If an intangible asset's carrying amount is increased as a...
- 86 If an intangible asset's carrying amount is decreased as a...
- 87 The cumulative revaluation surplus included in equity may be  
transferred...

#### USEFUL LIFE

- 88 An entity shall assess whether the useful life of an...
- 89 The accounting for an intangible asset is based on its...
- 90 Many factors are considered in determining the useful life of...
- 91 The term 'indefinite' does not mean 'infinite'. The useful life...
- 92 Given the history of rapid changes in technology, computer software...
- 93 The useful life of an intangible asset may be very...
- 94 The useful life of an intangible asset that arises from...
- 95 There may be both economic and legal factors influencing the...
- 96 Existence of the following factors, among others, indicates that an...

#### INTANGIBLE ASSETS WITH FINITE USEFUL LIVES

- Amortisation period and amortisation method
- 97 The depreciable amount of an intangible asset with a finite...
- 98 A variety of amortisation methods can be used to allocate...

- 98A There is a rebuttable presumption that an amortisation method that...
- 98B In choosing an appropriate amortisation method in accordance with paragraph...
- 98C In the circumstance in which the predominant limiting factor that...
- 99 Amortisation is usually recognised in profit or loss. However, sometimes...
- Residual value
  - 100 The residual value of an intangible asset with a finite...
  - 101 The depreciable amount of an asset with a finite useful...
  - 102 An estimate of an asset's residual value is based on...
  - 103 The residual value of an intangible asset may increase to...
- Review of amortisation period and amortisation method
  - 104 The amortisation period and the amortisation method for an intangible...
  - 105 During the life of an intangible asset, it may become...
  - 106 Over time, the pattern of future economic benefits expected to...

#### INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

- 107 An intangible asset with an indefinite useful life shall not...
- 108 In accordance with IAS 36, an entity is required to...
  - Review of useful life assessment
    - 109 The useful life of an intangible asset that is not...
    - 110 In accordance with IAS 36, reassessing the useful life of...

#### RECOVERABILITY OF THE CARRYING AMOUNT — IMPAIRMENT LOSSES

- 111 To determine whether an intangible asset is impaired, an entity...

#### RETIREMENTS AND DISPOSALS

- 112 An intangible asset shall be derecognised:
- 113 The gain or loss arising from the derecognition of an...
- 114 The disposal of an intangible asset may occur in a...
- 115 If in accordance with the recognition principle in paragraph 21...
- 115A In the case of a reacquired right in a business...
- 116 The amount of consideration to be included in the gain...
- 117 Amortisation of an intangible asset with a finite useful life...

#### DISCLOSURE

##### General

- 118 An entity shall disclose the following for each class of...
- 119 A class of intangible assets is a grouping of assets...
- 120 An entity discloses information on impaired intangible assets in accordance...
- 121 IAS 8 requires an entity to disclose the nature and...
- 122 An entity shall also disclose:
- 123 When an entity describes the factor(s) that played a significant...
  - Intangible assets measured after recognition using the revaluation model
  - 124 If intangible assets are accounted for at revalued amounts, an...
  - 125 It may be necessary to aggregate the classes of revalued...
- Research and development expenditure
  - 126 An entity shall disclose the aggregate amount of research and...
  - 127 Research and development expenditure comprises all expenditure that is directly...

##### Other information

*Changes to legislation:* There are currently no known outstanding effects for the Commission Regulation (EC) No 1126/2008. (See end of Document for details)

128 An entity is encouraged, but not required, to disclose the...

#### TRANSITIONAL PROVISIONS AND EFFECTIVE DATE

- 129 . . . . .
- 130 An entity shall apply this Standard:
- 130A An entity shall apply the amendments in paragraph 2 for...
- 130B IAS 1 Presentation of Financial Statements (as revised in 2007)...
- 130C IFRS 3 (as revised in 2008) amended paragraphs 12, 33–35,...
- 130D Paragraphs 69, 70 and 98 were amended and paragraph 69A...
- 130E . . . . .
- 130F IFRS 10 and IFRS 11 Joint Arrangements , issued in...
- 130G IFRS 13, issued in May 2011, amended paragraphs 8, 33,...
- 130H Annual Improvements to IFRSs 2010–2012 Cycle , issued in December...
- 130I An entity shall apply the amendment made by Annual Improvements...
- 130J Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to...
- 130K IFRS 15 Revenue from Contracts with Customers , issued in...
- 130L IFRS 16, issued in January 2016, amended paragraphs 3, 6,...
- Exchanges of similar assets
- 131 The requirement in paragraphs 129 and 130(b) to apply this...  
Early application
- 132 Entities to which paragraph 130 applies are encouraged to apply...

#### WITHDRAWAL OF IAS 38 (ISSUED 1998)

- 133 This standard supersedes IAS 38 Intangible assets (issued in 1998)....

### INTERNATIONAL ACCOUNTING STANDARD 39

#### Financial instruments: recognition and measurement

#### OBJECTIVE

- 1 . . . . .

#### SCOPE

- 2 This Standard shall be applied by all entities to all...
- 2A The impairment requirements of this Standard shall be applied to...
- 3 [Deleted]
- 4–7 [Deleted]

#### DEFINITIONS

- 8 The terms defined in IFRS 13, IFRS 9 and IAS...
- 9 The following terms are used in this Standard with the...  
Definition of a derivative  
Definitions of four categories of financial instruments  
Definition of a financial guarantee contract  
Definitions relating to recognition and measurement  
Definitions relating to hedge accounting

#### EMBEDDED DERIVATIVES

- 10 . . . . .
- 11 An embedded derivative shall be separated from the host contract...
- 11A Notwithstanding paragraph 11, if a contract contains one or more...

12	.....
13	.....

## RECOGNITION AND DERECOGNITION

### Initial recognition

14	.....
----	-------

### Derecognition of a financial asset

15	.....
----	-------

16 Before evaluating whether, and to what extent, derecognition is appropriate...

17 An entity shall derecognise a financial asset when, and only...

18 An entity transfers a financial asset if, and only if,...

19 When an entity retains the contractual rights to receive the...

20 When an entity transfers a financial asset (see paragraph 18),...

21	.....
----	-------

22	.....
----	-------

23	.....
----	-------

Transfers that qualify for derecognition (see paragraph 20(a) and (c) (i))...

24	.....
----	-------

25	.....
----	-------

26 On derecognition of a financial asset in its entirety, the...

27 If the transferred asset is part of a larger financial...

28	.....
----	-------

Transfers that do not qualify for derecognition (see paragraph 20(b))...

29	.....
----	-------

Continuing involvement in transferred assets (see paragraph 20(c)(ii))

30 If an entity neither transfers nor retains substantially all the...

31 When an entity continues to recognise an asset to the...

32	.....
----	-------

33	.....
----	-------

34 If an entity's continuing involvement is in only a part...

35	.....
----	-------

### All transfers

36	.....
----	-------

37 If a transferor provides non-cash collateral (such as debt or...

### Regular way purchase or sale of a financial asset

38	.....
----	-------

### Derecognition of a financial liability

39	.....
----	-------

40	.....
----	-------

41	.....
----	-------

42	.....
----	-------

## MEASUREMENT

### Initial measurement of financial assets and financial liabilities

43	.....
----	-------

43A	.....
-----	-------

44	.....
----	-------

44A	.....
-----	-------

### Subsequent measurement of financial assets

45 For the purpose of measuring a financial asset after initial...

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46	After initial recognition, an entity shall measure financial assets, including...
	Subsequent measurement of financial liabilities
47	After initial recognition, an entity shall measure all financial liabilities...
	Fair value measurement considerations
48	.....
48A	.....
49	.....
	Reclassifications
50	An entity:
50A	The following changes in circumstances are not reclassifications for the...
50B	.....
50C	.....
50D	.....
50E	.....
50F	.....
51	.....
52	.....
53	.....
54	If, as a result of a change in intention or...
	Gains and losses
55	A gain or loss arising from a change in the...
55A	Dividends are recognised in profit or loss only when:
56	.....
57	.....
	Impairment and uncollectability of financial assets
58	.....
59	A financial asset or a group of financial assets is...
60	.....
61	.....
62	.....
	Financial assets carried at amortised cost
63	.....
64	.....
65	.....
	Financial assets carried at cost
66	.....
	Available-for-sale financial assets
67	.....
68	.....
69	.....
70	.....

## HEDGING

71	If an entity applies IFRS 9 and has not chosen...
	Hedging instruments
	Qualifying instruments
72	This standard does not restrict the circumstances in which a...
73	For hedge accounting purposes, only instruments that involve a party...
	Designation of hedging instruments



- 74 There is normally a single fair value measure for a...
- 75 A proportion of the entire hedging instrument, such as 50...
- 76 A single hedging instrument may be designated as a hedge...
- 77 Two or more derivatives, or proportions of them (or, in...
- Hedged items
  - Qualifying items
    - 78 A hedged item can be a recognised asset or liability,...
    - 79 . . . . .
    - 80 For hedge accounting purposes, only assets, liabilities, firm commitments or...
  - Designation of financial items as hedged items
    - 81 If the hedged item is a financial asset or financial...
    - 81A In a fair value hedge of the interest rate exposure...
  - Designation of non-financial items as hedged items
    - 82 If the hedged item is a non-financial asset or non-financial...
  - Designation of groups of items as hedged items
    - 83 Similar assets or similar liabilities shall be aggregated and hedged...
    - 84 Because an entity assesses hedge effectiveness by comparing the change...
- Hedge accounting
  - 85 Hedge accounting recognises the offsetting effects on profit or loss...
  - 86 Hedging relationships are of three types:
  - 87 A hedge of the foreign currency risk of a firm...
  - 88 A hedging relationship qualifies for hedge accounting under paragraphs 89–102...
  - Fair value hedges
    - 89 If a fair value hedge meets the conditions in paragraph...
    - 89A For a fair value hedge of the interest rate exposure...
    - 90 If only particular risks attributable to a hedged item are...
    - 91 An entity shall discontinue prospectively the hedge accounting specified in...
    - 92 Any adjustment arising from paragraph 89(b) to the carrying amount...
    - 93 When an unrecognised firm commitment is designated as a hedged...
    - 94 When an entity enters into a firm commitment to acquire...
  - Cash flow hedges
    - 95 If a cash flow hedge meets the conditions in paragraph...
    - 96 More specifically, a cash flow hedge is accounted for as...
    - 97 If a hedge of a forecast transaction subsequently results in...
    - 98 If a hedge of a forecast transaction subsequently results in...
    - 99 An entity shall adopt either (a) or (b) in paragraph...
    - 100 For cash flow hedges other than those covered by paragraphs...
    - 101 In any of the following circumstances an entity shall discontinue...
  - Hedges of a net investment
    - 102 Hedges of a net investment in a foreign operation, including...  
Temporary exceptions from applying specific hedge accounting requirements
      - 102A An entity shall apply paragraphs 102D–102N and 108G to all...

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- 102B For the purpose of applying paragraphs 102D–102N, the term ‘interest...
- 102C Paragraphs 102D–102N provide exceptions only to the requirements specified in...  
Highly probable requirement for cash flow hedges
- 102D For the purpose of applying the requirement in paragraph 88(c)...  
Reclassifying the cumulative gain or loss recognised in other comprehensive...
- 102E For the purpose of applying the requirement in paragraph 101(c)...  
Effectiveness assessment
- 102F For the purpose of applying the requirements in paragraphs 88(b)...
- 102G For the purpose of applying the requirement in paragraph 88(e),...
- Designating financial items as hedged items
- 102H Unless paragraph 102I applies, for a hedge of a non-contractually...
- 102I When an entity, consistent with its hedge documentation, frequently resets...
- End of application
- 102J An entity shall prospectively cease applying paragraph 102D to a...
- 102K An entity shall prospectively cease applying paragraph 102E at the...
- 102L An entity shall prospectively cease applying paragraph 102F:
- 102M An entity shall prospectively cease applying paragraph 102G to a...
- 102N When designating a group of items as the hedged item,...

#### EFFECTIVE DATE AND TRANSITION

- 103 An entity shall apply this standard (including the amendments issued...
- 103A An entity shall apply the amendment in paragraph 2(j) for...
- 103B [Deleted]
- 103C IAS 1 (as revised in 2007) amended the terminology used...
- 103D [Deleted]
- 103E IAS 27 (as amended by the International Accounting Standards Board...
- 103F [Deleted]
- 103G . . . . .
- 103G An entity shall apply paragraphs AG99BA, AG99E, AG99F, AG110A and...
- 103H–103I [Deleted]
- 103K Improvements to IFRSs , issued in April 2009, amended paragraphs...
- 103L–103O [Deleted]
- 103Q IFRS 13, issued in May 2011, amended paragraphs 9, 13,...
- 103R Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS...
- 103T IFRS 15 Revenue from Contracts with Customers , issued in...
- 103U IFRS 9, as issued in July 2014, amended paragraphs 2,...
- 103V IFRS 16, issued in January 2016, amended paragraphs 2 and...
- 104 This Standard shall be applied retrospectively except as specified in...
- 105–107 [Deleted]

- 108 An entity shall not adjust the carrying amount of non-financial...
- 108A An entity shall apply the last sentence of paragraph 80,...
- 108B An entity need not apply paragraph AG99B to comparative information...
- 108C Paragraphs 73 and AG8 were amended by Improvements to IFRSs...
- 108D Novation of Derivatives and Continuation of Hedge Accounting (Amendments to...)
- 108E-108E [Deleted]
- 108G Interest Rate Benchmark Reform , which amended IFRS 9, IAS...

#### WITHDRAWAL OF OTHER PRONOUNCEMENTS

- 109 This standard supersedes IAS 39 Financial instruments: recognition and measurement...
- 110 This standard and the accompanying Implementation Guidance supersede the Implementation...

### Appendix A Application guidance

#### SCOPE (paragraphs 2-7)

- AG1 .....
- AG2 .....
- AG3 .....
- AG3A .....
- AG4 Financial guarantee contracts may have various legal forms, such as...
- AG4A .....

#### DEFINITIONS (paragraphs 8 and 9)

- Designation as at fair value through profit or loss
  - AG4B .....
  - AG4C .....
  - Paragraph 9(b)(i): Designation eliminates or significantly reduces a measurement or...
  - AG4D .....
  - AG4E The following examples show when this condition could be met....
  - AG4F .....
  - AG4G .....
  - Paragraph 9(b)(ii): A group of financial assets, financial liabilities or...
  - AG4H .....
  - AG4I The following examples show when this condition could be met....
  - AG4J .....
  - AG4K .....
- Effective interest rate
  - AG5 .....
  - AG6 .....
  - AG7 .....
  - AG8 .....
  - AG8A .....
  - AG8B Fees that are an integral part of the effective interest...

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AG8C	Fees that are not an integral part of the effective...
	Derivatives
AG9	.....
AG10	.....
AG11	.....
AG12	.....
AG12A	.....
	Transaction costs
AG13	.....
	Financial assets and financial liabilities held for trading
AG14	.....
AG15	Financial liabilities held for trading include:
	Held-to-maturity investments
AG16	An entity does not have a positive intention to hold...
AG17	.....
AG18	.....
AG19	.....
AG20	.....
AG21	.....
AG22	Sales before maturity could satisfy the condition in paragraph 9...
AG23	An entity does not have a demonstrated ability to hold...
AG24	.....
AG25	.....
	Loans and receivables
AG26	.....

#### EMBEDDED DERIVATIVES (paragraphs 10-13)

AG27	.....
AG28	.....
AG29	.....
AG30	The economic characteristics and risks of an embedded derivative are...
AG31	.....
AG32	.....
AG33	The economic characteristics and risks of an embedded derivative are...
	Instruments containing embedded derivatives
AG33A	.....
AG33B	.....

#### RECOGNITION AND DERECOGNITION (paragraphs 14-42)

	Initial recognition (paragraph 14)
AG34	.....
AG35	The following are examples of applying the principle in paragraph...
	Derecognition of a financial asset (paragraphs 15-37)
AG36	The following flow chart illustrates the evaluation of whether and...
	Arrangements under which an entity retains the contractual rights to...
AG37	.....
AG38	.....
	Evaluation of the transfer of risks and rewards of ownership...
AG39	Examples of when an entity has transferred substantially all the...
AG40	Examples of when an entity has retained substantially all the...
AG41	.....
	Evaluation of the transfer of control

AG42	.....
AG43	The transferee has the practical ability to sell the transferred...
AG44	.....
Transfers that qualify for derecognition	
AG45	.....
AG46	.....
Transfers that do not qualify for derecognition	
AG47	.....
Continuing involvement in transferred assets	
AG48	.....
All assets	
Assets measured at amortised cost	
Assets measured at fair value	
All transfers	
AG49	.....
AG50	.....
Examples	
AG51	The following examples illustrate the application of the derecognition principles...
AG52	This paragraph illustrates the application of the continuing involvement approach...
Regular way purchase or sale of a financial asset (paragraph...	
AG53	.....
AG54	.....
AG55	.....
AG56	.....
Derecognition of a financial liability (paragraphs 39-42)	
AG57	A financial liability (or part of it) is extinguished when...
AG58	.....
AG59	.....
AG60	.....
AG61	.....
AG62	.....
AG63	In some cases, a creditor releases a debtor from its...
MEASUREMENT (paragraphs 43-70)	
Initial measurement of financial assets and financial liabilities (paragraph 43)...	
AG64	.....
AG65	.....
Subsequent measurement of financial assets (paragraphs 45 and 46)	
AG66	.....
AG67	.....
AG68	.....
Fair value measurement considerations (paragraphs 48-49)	
AG69	.....
AG70	.....
Active market: quoted price	
AG71	.....
AG72	.....
AG73	.....
No active market: valuation technique	
AG74	.....
AG75	.....

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AG76	The best evidence of the fair value of a financial...
AG76A	.....
AG77	.....
AG78	.....
AG79	.....
	No active market: equity instruments
AG80	.....
AG81	.....
	Inputs to valuation techniques
AG82	An appropriate technique for estimating the fair value of a...
	Gains and losses (paragraphs 55-57)
AG83	.....
	Impairment and uncollectability of financial assets (paragraphs 58-70)
	Financial assets carried at amortised cost (paragraphs 63-65)
AG84	.....
AG85	.....
AG86	.....
AG87	.....
AG88	.....
AG89	.....
AG90	.....
AG91	.....
AG92	.....
	Interest income after impairment recognition
AG93	.....
	<b>HEDGING (paragraphs 71-102)</b>
	Hedging instruments (paragraphs 72-77)
	Qualifying instruments (paragraphs 72 and 73)
AG94	The potential loss on an option that an entity writes...
AG95	A financial asset measured at amortised cost may be designated...
AG96	.....
AG97	An entity's own equity instruments are not financial assets or...
	Hedged items (paragraphs 78-84)
	Qualifying items (paragraphs 78-80)
AG98	A firm commitment to acquire a business in a business...
AG99	An equity method investment cannot be a hedged item in...
AG99A	Paragraph 80 states that in consolidated financial statements the foreign...
AG99B	If a hedge of a forecast intragroup transaction qualifies for...
AG99B	An entity can designate all changes in the cash flows...
	Designation of financial items as hedged items (paragraphs 81 and...
AG99C	[...]The entity may designate all of the cash flows of...
AG99D	In addition, if a fixed rate financial instrument is hedged...
AG99E	Paragraph 81 permits an entity to designate something other than...
AG99F	To be eligible for hedge accounting, the designated risks and...
	Designation of non-financial items as hedged items (paragraph 82)
AG100	Changes in the price of an ingredient or component of...
	Designation of groups of items as hedged items (paragraphs 83...
AG101	A hedge of an overall net position (e.g. the net...
	Hedge accounting (paragraphs 85-102)

- AG102 An example of a fair value hedge is a hedge...
- AG103 An example of a cash flow hedge is the use...
- AG104 A hedge of a firm commitment (e.g. a hedge of...  
Assessing hedge effectiveness
- AG105 A hedge is regarded as highly effective only if both...
- AG106 Effectiveness is assessed, at a minimum, at the time an...
- AG107 This standard does not specify a single method for assessing...  
AG107A...].
- AG108 If the principal terms of the hedging instrument and of...
- AG109 Sometimes the hedging instrument offsets only part of the  
hedged...
- AG110 To qualify for hedge accounting, the hedge must relate to...
- AG110A Paragraph 74(a) permits an entity to separate the intrinsic  
value...
- AG110B If an entity designates a purchased option in its entirety...
- AG111 In the case of interest rate risk, hedge effectiveness may...
- AG112 In assessing the effectiveness of a hedge, an entity generally...
- AG113 If an entity does not meet hedge effectiveness criteria, the...  
AG113A For the avoidance of doubt, the effects of replacing the...
- Fair value hedge accounting for a portfolio hedge of interest...
- AG114 For a fair value hedge of interest rate risk associated...
- AG115 This approach is described in more detail below. The  
approach...
- AG116 The portfolio identified in paragraph AG114(a) could contain  
assets and...
- AG117 In applying paragraph AG114(b), the entity determines the  
expected repricing...
- AG118 As an example of the designation set out in paragraph...
- AG119 The entity also complies with the other designation and  
documentation...
- AG120 The hedging instrument referred to in paragraph AG114(e)  
may be...
- AG121 When the entity measures the change in the fair value...
- AG122 The standard does not specify the techniques used to  
determine...
- AG123 Paragraph 89A requires that if the hedged item for a...
- AG124 Paragraph AG114(i) notes that ineffectiveness arises to the  
extent that...
- AG125 Generally, the effectiveness of the hedge will be improved:
- AG126 An entity tests effectiveness periodically. [...]
- AG127 When measuring effectiveness, the entity distinguishes  
revisions to the estimated...
- AG128 Items that were originally scheduled into a repricing time  
period...
- AG129 In addition, any amount relating to a particular time period...
- AG130 [...].
- AG131 If the hedged amount for a repricing time period is...
- AG132 An entity may wish to apply the approach set out...

#### TRANSITION (paragraphs 103–108C)

- AG133 An entity may have designated a forecast intragroup transaction as...

## INTERNATIONAL ACCOUNTING STANDARD 40

## Investment property

## OBJECTIVE

1. The objective of this Standard is to prescribe the accounting...

## SCOPE

2. This Standard shall be applied in the recognition, measurement and...
3. [Deleted]
4. This Standard does not apply to:

## DEFINITIONS

5. The following terms are used in this Standard with the...

## CLASSIFICATION OF PROPERTY AS INVESTMENT PROPERTY OR OWNER-OCCUPIED PROPERTY

6. [Deleted]
7. Investment property is held to earn rentals or for capital...
8. The following are examples of investment property:
9. The following are examples of items that are not investment...
10. Some properties comprise a portion that is held to earn...
11. In some cases, an entity provides ancillary services to the...
12. In other cases, the services provided are significant. For example,...
13. It may be difficult to determine whether ancillary services are...
14. Judgement is needed to determine whether a property qualifies as...
- 14A. Judgement is also needed to determine whether the acquisition of...
15. In some cases, an entity owns property that is leased...

## RECOGNITION

16. An owned investment property shall be recognised as an asset...
17. An entity evaluates under this recognition principle all its investment...
18. Under the recognition principle in paragraph 16, an entity does...
19. Parts of investment properties may have been acquired through replacement...
- 19A. An investment property held by a lessee as a right-of-use...

## MEASUREMENT AT RECOGNITION

20. An owned investment property shall be measured initially at its...
21. The cost of a purchased investment property comprises its purchase...
22. [Deleted]
23. The cost of an investment property is not increased by:...
24. If payment for an investment property is deferred, its cost...
25. [Deleted]
26. [Deleted]
27. One or more investment properties may be acquired in exchange...
28. An entity determines whether an exchange transaction has commercial substance...
29. The fair value of an asset is reliably measurable if...
- 29A. An investment property held by a lessee as a right-of-use...

## MEASUREMENT AFTER RECOGNITION

## Accounting policy

30. With the exceptions noted in paragraphs 32A, an entity shall...



- 31. IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors...
- 32. This Standard requires all entities to measure the fair value...
- 32A An entity may:
- 32B Some insurers and other entities operate an internal property fund...
- 32C If an entity chooses different models for the two categories...
- Fair value model
- 33. After initial recognition, an entity that chooses the fair value...
- 34. [Deleted]
- 35. A gain or loss arising from a change in the...
- 36–39. [Deleted]
- 40. When measuring the fair value of investment property in accordance...
- 40A When a lessee uses the fair value model to measure...
- 41. IFRS 16 specifies the basis for initial recognition of the...
- 42–47. [Deleted]
- 48. In exceptional cases, there is clear evidence when an entity...
- 49. [Deleted]
- 50. In determining the carrying amount of investment property under the...
- 51. [Deleted]
- 52. In some cases, an entity expects that the present value...
- Inability to measure fair value reliably
- 53. There is a rebuttable presumption that an entity can reliably...
- 53A Once an entity becomes able to measure reliably the fair...
- 53B The presumption that the fair value of investment property under...
- 54. In the exceptional cases when an entity is compelled, for...
- 55. If an entity has previously measured an investment property at...
- Cost model
- 56. After initial recognition, an entity that chooses the cost model...

#### TRANSFERS

- 57. Transfers to, or from, investment property shall be made when,...
- 58. Paragraph 57(b) requires an entity to transfer a property from...
- 59. Paragraphs 60–65 apply to recognition and measurement issues that arise...
- 60. For a transfer from investment property carried at fair value...
- 61. If an owner-occupied property becomes an investment property that will...
- 62. Up to the date when an owner-occupied property becomes an...
- 63. For a transfer from inventories to investment property that will...
- 64. The treatment of transfers from inventories to investment property that...
- 65. When an entity completes the construction or development of a...

#### DISPOSALS

- 66. An investment property shall be derecognised (eliminated from the statement...
- 67. The disposal of an investment property may be achieved by...
- 68. If, in accordance with the recognition principle in paragraph 16,...
- 69. Gains or losses arising from the retirement or disposal of...
- 70. The amount of consideration to be included in the gain...
- 71. An entity applies IAS 37 or other Standards, as appropriate,...
- 72. Compensation from third parties for investment property that was impaired,...
- 73. Impairments or losses of investment property, related claims for or...

#### DISCLOSURE

##### Fair value model and cost model

- 74. The disclosures below apply in addition to those in IFRS...

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75. An entity shall disclose:  
Fair value model
76. In addition to the disclosures required by paragraph 75, an...
77. When a valuation obtained for investment property is adjusted significantly...
78. In the exceptional cases referred to in paragraph 53, when...  
Cost model
79. In addition to the disclosures required by paragraph 75, an...

#### TRANSITIONAL PROVISIONS

- Fair value model
80. An entity that has previously applied IAS 40 (2000) and...
81. This Standard requires a treatment different from that required by...
82. When an entity first applies this Standard, the adjustment to...  
Cost model
83. IAS 8 applies to any change in accounting policies that...
84. The requirements of paragraphs 27–29 regarding the initial measurement of...  
Business Combinations
- 84A Annual Improvements Cycle 2011–2013 issued in December 2013 added paragraph...
- IFRS 16
- 84B An entity applying IFRS 16, and its related amendments to...

#### EFFECTIVE DATE

85. An entity shall apply this Standard for annual periods beginning...
- 85A IAS 1 Presentation of Financial Statements (as revised in 2007)...
- 85B Paragraphs 8, 9, 48, 53, 54 and 57 were amended,...
- 85C IFRS 13, issued in May 2011, amended the definition of...
- 85D Annual Improvements Cycle 2011–2013 issued in December 2013 added headings...
- 85E IFRS 15 Revenue from Contracts with Customers, issued in...
- 85F IFRS 16, issued in January 2016, amended the scope of...

#### WITHDRAWAL OF IAS 40 (2000)

86. This Standard supersedes IAS 40 Investment Property (issued in 2000)....

### INTERNATIONAL ACCOUNTING STANDARD 41

#### Agriculture

#### OBJECTIVE

#### SCOPE

1. This Standard shall be applied to account for the following...
2. This Standard does not apply to:
3. This Standard is applied to agricultural produce, which is the...
4. The table below provides examples of biological assets, agricultural produce,...

#### DEFINITIONS

##### Agriculture-related definitions

- 5 The following terms are used in this Standard with the...

- 5A The following are not bearer plants:
- 5B When bearer plants are no longer used to bear produce...
- 5C Produce growing on bearer plants is a biological asset.
- 6 Agricultural activity covers a diverse range of activities; for example,...
- 7 Biological transformation results in the following types of outcomes:
- General definitions
- 8 The following terms are used in this Standard with the...
- 9 .....

## RECOGNITION AND MEASUREMENT

- 10 An entity shall recognise a biological asset or agricultural produce...
- 11 In agricultural activity, control may be evidenced by, for example,...
- 12 A biological asset shall be measured on initial recognition and...
- 13 Agricultural produce harvested from an entity's biological assets shall be...
- 14 .....
- 15 The fair value measurement of a biological asset or agricultural...
- 16 Entities often enter into contracts to sell their biological assets...
- 17 .....
- 18 If an active market does not exist, an entity uses...
- 19 .....
- 20 .....
- 21 .....
- 22 An entity does not include any cash flows for financing...
- 23 .....
- 24 Cost may sometimes approximate fair value, particularly when:
- 25 Biological assets are often physically attached to land (for example,...
- Gains and losses
- 26 A gain or loss arising on initial recognition of a...
- 27 A loss may arise on initial recognition of a biological...
- 28 A gain or loss arising on initial recognition of agricultural...
- 29 A gain or loss may arise on initial recognition of...
- Inability to measure fair value reliably
- 30 There is a presumption that fair value can be measured...
- 31 The presumption in paragraph 30 can be rebutted only on...
- 32 In all cases, an entity measures agricultural produce at the...
- 33 In determining cost, accumulated depreciation and accumulated impairment losses, an...

## GOVERNMENT GRANTS

- 34 An unconditional government grant related to a biological asset measured...
- 35 If a government grant related to a biological asset measured...
- 36 Terms and conditions of government grants vary. For example, a...
- 37 If a government grant relates to a biological asset measured...
- 38 This standard requires a different treatment from IAS 20, if...

## DISCLOSURE

- 39 [Deleted]
- General
- 40 An entity shall disclose the aggregate gain or loss arising...
- 41 An entity shall provide a description of each group of...
- 42 The disclosure required by paragraph 41 may take the form...
- 43 An entity is encouraged to provide a quantified description of...
- 44 Consumable biological assets are those that are to be harvested...

*Changes to legislation:* There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1126/2008. (See end of Document for details)

- 45 Biological assets may be classified either as mature biological assets...
- 46 If not disclosed elsewhere in information published with the financial...
- 47 . . . . .
- 48 . . . . .
- 49 An entity shall disclose:
- 50 An entity shall present a reconciliation of changes in the...
- 51 The fair value less costs to sell of a biological...
- 52 Biological transformation results in a number of types of physical...
- 53 Agricultural activity is often exposed to climatic, disease and other...
- Additional disclosures for biological assets where fair value cannot be...
- 54 If an entity measures biological assets at their cost less...
- 55 If, during the current period, an entity measures biological assets...
- 56 If the fair value of biological assets previously measured at...
- Government grants
- 57 An entity shall disclose the following related to agricultural activity...

#### EFFECTIVE DATE AND TRANSITION

- 58 This standard becomes operative for annual financial statements covering  
periods...
- 59 This standard does not establish any specific transitional provisions. The...
- 60 Paragraphs 5, 6, 17, 20 and 21 were amended and...
- 61 IFRS 13, issued in May 2011, amended paragraphs 8, 15,...
- 62 Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41),...
- 63 In the reporting period when Agriculture: Bearer Plants (Amendments to...
- 64 IFRS 16, issued in January 2016, amended paragraph 2. An...

### INTERNATIONAL FINANCIAL REPORTING STANDARD 1

#### First-time Adoption of International Financial Reporting Standards

#### OBJECTIVE

- 1 The objective of this IFRS is to ensure that an...

#### SCOPE

- 2 An entity shall apply this IFRS in:
- 3 An entity's first IFRS financial statements are the first annual...
- 4 This IFRS applies when an entity first adopts IFRSs. It...
- 4A Notwithstanding the requirements in paragraphs 2 and 3, an entity...
- 4B When an entity does not elect to apply this IFRS...
- 5 This IFRS does not apply to changes in accounting policies...

#### RECOGNITION AND MEASUREMENT

##### Opening IFRS statement of financial position

- 6 An entity shall prepare and present an opening IFRS statement...

##### Accounting policies

- 7 An entity shall use the same accounting policies in its...

- 8 An entity shall not apply different versions of IFRSs that...

Example: Consistent application of latest version of IFRSs

##### Background

##### Application of requirements

- 9 The transitional provisions in other IFRSs apply to changes in...

- 10 Except as described in paragraphs 13–19 and Appendices B–E, an...

- 11 The accounting policies that an entity uses in its opening...
- 12 This IFRS establishes two categories of exceptions to the principle...
- Exceptions to the retrospective application of other IFRSs
- 13 This IFRS prohibits retrospective application of some aspects of other...
  - Estimates
  - 14 An entity's estimates in accordance with IFRSs at the date...
  - 15 An entity may receive information after the date of transition...
  - 16 An entity may need to make estimates in accordance with...
  - 17 Paragraphs 14–16 apply to the opening IFRS statement of financial...
- Exemptions from other IFRSs
- 18 An entity may elect to use one or more of...
- 19 .....

## PRESENTATION AND DISCLOSURE

- 20 This IFRS does not provide exemptions from the presentation and...
  - Comparative information
  - 21 An entity's first IFRS financial statements shall include at least...
    - Non-IFRS comparative information and historical summaries
    - 22 Some entities present historical summaries of selected data for periods...
  - Explanation of transition to IFRSs
  - 23 An entity shall explain how the transition from previous GAAP...
  - 23A An entity that has applied IFRSs in a previous period,...
  - 23B When an entity, in accordance with paragraph 4A, does not...
    - Reconciliations
    - 24 To comply with paragraph 23, an entity's first IFRS financial...
    - 25 The reconciliations required by paragraph 24(a) and (b) shall give...
    - 26 If an entity becomes aware of errors made under previous...
    - 27 IAS 8 does not apply to the changes in accounting...
    - 27A If during the period covered by its first IFRS financial...
    - 28 If an entity did not present financial statements for previous...
  - Designation of financial assets or financial liabilities
  - 29 An entity is permitted to designate a previously recognised financial...
    - 29A An entity is permitted to designate a previously recognised financial...
  - Use of fair value as deemed cost
  - 30 If an entity uses fair value in its opening IFRS...
  - Use of deemed cost for investments in subsidiaries, joint ventures...
  - 31 Similarly, if an entity uses a deemed cost in its...
    - Use of deemed cost for oil and gas assets
    - 31A If an entity uses the exemption in paragraph D8A(b) for...
    - Use of deemed cost for operations subject to rate regulation...
    - 31B If an entity uses the exemption in paragraph D8B for...
    - Use of deemed cost after severe hyperinflation
    - 31C If an entity elects to measure assets and liabilities at...
  - Interim financial reports
  - 32 To comply with paragraph 23, if an entity presents an...
  - 33 IAS 34 requires minimum disclosures, which are based on the...

## EFFECTIVE DATE

- 34 An entity shall apply this IFRS if its first IFRS...
- 35 An entity shall apply the amendments in paragraphs D1(n) and...
- 36 IFRS 3 Business Combinations (as revised in 2008) amended paragraphs...
- 37 IAS 27 Consolidated and Separate Financial Statements (as amended in...
- 38 Cost of an Investment in a Subsidiary, Jointly Controlled Entity...
- 39 Paragraph B7 was amended by Improvements to IFRSs issued in...
- 39A Additional Exemptions for First-time Adopters (Amendments to IFRS 1),  
issued...
- 39C Limited Exemption from Comparative IFRS 7 Disclosures for First-time  
Adopters...
- 39E Improvements to IFRSs issued in May 2010 added paragraphs 27A,...
- 39F [Deleted]
- 39H Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters...
- 39I IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements...
- 39J IFRS 13 Fair Value Measurement , issued in May 2011,...
- 39K Presentation of Items of Other Comprehensive Income (Amendments to IAS...
- 39L IAS 19 Employee Benefits (as amended in June 2011) amended...
- 39M IFRIC 20 Stripping Costs in the Production Phase of a...
- 39N Government Loans (Amendments to IFRS 1), issued in March 2012,...
- 39O Paragraphs B10 and B11 refer to IFRS 9. If an...
- 39P Annual Improvements 2009–2011 Cycle, issued in May 2012, added  
paragraphs...
- 39Q Annual Improvements 2009–2011 Cycle , issued in May 2012, amended...
- 39R Annual Improvements 2009–2011 Cycle , issued in May 2012, amended...
- 39S Consolidated Financial Statements, Joint Arrangements and Disclosure of  
Interests in...
- 39T Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS...
- 39W Accounting for Acquisitions of Interests in Joint Operations (Amendments to...
- 39X IFRS 15 Revenue from Contracts with Customers , issued in...
- 39Y IFRS 9 Financial Instruments , as issued in July 2014,...
- 39Z Equity Method in Separate Financial Statements (Amendments to IAS 27),...
- 39AA [Deleted]
- 39AB IFRS 16 Leases , issued in January 2016, amended paragraphs...
- 39AC IFRIC 22 Foreign Currency Transactions and Advance Consideration added  
paragraph...
- 39AD Annual Improvements to IFRS Standards 2014–2016 Cycle , issued in...
- 39AF IFRIC 23 Uncertainty over Income Tax Treatments added paragraph E8....

## WITHDRAWAL OF IFRS 1 (ISSUED 2003)

- 40 This IFRS supersedes IFRS 1 (issued in 2003 and amended...

## Appendix A

## Defined terms

## Appendix B

## Exceptions to the retrospective application of other IFRSs

- B1 An entity shall apply the following exceptions:

- Derecognition of financial assets and financial liabilities
- B2 Except as permitted by paragraph B3, a first-time adopter shall...
- B3 Despite paragraph B2, an entity may apply the derecognition requirements...
- Hedge accounting
- B4 As required by IFRS 9, at the date of transition...
- B5 An entity shall not reflect in its opening IFRS statement...
- B6 If, before the date of transition to IFRSs, an entity...
- Non-controlling interests
- B7 A first-time adopter shall apply the following requirements of IFRS...
- Classification and measurement of financial instruments
- B8 An entity shall assess whether a financial asset meets the...
- B8A If it is impracticable to assess a modified time value...
- B8B If it is impracticable to assess whether the fair value...
- B8C If it is impracticable (as defined in IAS 8) for...
- Impairment of financial assets
- B8D An entity shall apply the impairment requirements in Section 5.5...
- B8E At the date of transition to IFRSs, an entity shall...
- B8F When determining whether there has been a significant increase in...
- B8G If, at the date of transition to IFRSs, determining whether...
- Embedded derivatives
- B9 A first-time adopter shall assess whether an embedded derivative is...
- Government loans
- B10 A first-time adopter shall classify all government loans received as...
- B11 Despite paragraph B10, an entity may apply the requirements in...
- B12 The requirements and guidance in paragraphs B10 and B11 do...

## Appendix C

### Exemptions for business combinations

- C1 A first-time adopter may elect not to apply IFRS 3...
- C2 An entity need not apply IAS 21 The Effects of...
- C3 An entity may apply IAS 21 retrospectively to fair value...
- C4 If a first-time adopter does not apply IFRS 3 retrospectively...
- C5 The exemption for past business combinations also applies to past...

## Appendix D

### Exemptions from other IFRSs

- D1 An entity may elect to use one or more of...
- Share-based payment transactions
- D2 A first-time adopter is encouraged, but not required, to apply...
- D3 A first-time adopter is encouraged, but not required, to apply...
- Insurance contracts
- D4 A first-time adopter may apply the transitional provisions in IFRS...
- Fair value or revaluation as deemed cost
- D5 An entity may elect to measure an item of property,...
- D6 A first-time adopter may elect to use a previous GAAP...
- D7 The elections in paragraphs D5 and D6 are also available...
- D8 A first-time adopter may have established a deemed cost in...

*Changes to legislation:* There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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#### Deemed cost

D8A Under some national accounting requirements exploration and development costs for...

D8B Some entities hold items of property, plant and equipment, right-of-use...

#### Leases

D9 A first-time adopter may assess whether a contract existing at...

D9A [Deleted]

D9B When a first-time adopter that is a lessee recognises lease...

D9C Notwithstanding the requirements in paragraph D9B, a first-time adopter that...

D9D A first-time adopter that is a lessee may do one...

D9E Lease payments, lessee, lessee's incremental borrowing rate, commencement date of...

#### Employee benefits

D10 .....

D11 .....

#### Cumulative translation differences

D12 IAS 21 requires an entity:

D13 However, a first-time adopter need not comply with these requirements...

#### Investments in subsidiaries, joint ventures and associates

D14 When an entity prepares separate financial statements, IAS 27 requires...

D15 If a first-time adopter measures such an investment at cost...

D15A If a first-time adopter accounts for such an investment using...

#### Assets and liabilities of subsidiaries, associates and joint ventures

D16 If a subsidiary becomes a first-time adopter later than its...

D17 However, if an entity becomes a first-time adopter later than...

#### Compound financial instruments

D18 IAS 32 Financial Instruments: Presentation requires an entity to split...

#### Designation of previously recognised financial instruments

D19 IFRS 9 permits a financial liability (provided it meets certain...

D19A An entity may designate a financial asset as measured at...

D19B An entity may designate an investment in an equity instrument...

D19C For a financial liability that is designated as a financial...

#### Fair value measurement of financial assets or financial liabilities at...

D20 Despite the requirements of paragraphs 7 and 9, an entity...

#### Decommissioning liabilities included in the cost of property, plant and...

D21 IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities...

D21A An entity that uses the exemption in paragraph D8A(b) (for...

Financial assets or intangible assets accounted for in accordance with...

D22 A first-time adopter may apply the transitional provisions in IFRIC...

#### Borrowing costs

D23 A first-time adopter can elect to apply the requirements of...

#### Transfers of assets from customers

D24 A first-time adopter may apply the transitional provisions set out...

#### Extinguishing financial liabilities with equity instruments

D25 A first-time adopter may apply the transitional provisions in IFRIC...

#### Severe hyperinflation

D26 If an entity has a functional currency that was, or...

D27 The currency of a hyperinflationary economy is subject to severe...



**Changes to legislation:** There are currently no known outstanding effects for the Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- D28 The functional currency of an entity ceases to be subject...
- D29 When an entity's date of transition to IFRSs is on,...
- D30 When the functional currency normalisation date falls within a 12-month...
- Joint arrangements
- D31 A first-time adopter may apply the transition provisions in IFRS...  
Stripping costs in the production phase of a surface mine...
- D32 A first-time adopter may apply the transitional provisions set out...  
Designation of contracts to buy or sell a non-financial item...
- D33 IFRS 9 permits some contracts to buy or sell a...
- Revenue
- D34 A first-time adopter may apply the transition provisions in paragraph...
- D35 A first-time adopter is not required to restate contracts that...
- Foreign Currency Transactions and Advance Consideration
- D36 A first-time adopter need not apply IFRIC 22 Foreign Currency...

## Appendix E

### Short-term exemptions from IFRSs

- Exemption from the requirement to restate comparative information for IFRS...
- E1 If an entity's first IFRS reporting period begins before 1...
- E2 An entity that chooses to present comparative information that does...
- E3 [Deleted]
- E4 [Deleted]
- E4A [Deleted]
- E5 [Deleted]
- E6 [Deleted]
- E7 [Deleted]
- Uncertainty over income tax treatments
- E8 A first-time adopter whose date of transition to IFRSs is...

## INTERNATIONAL FINANCIAL REPORTING STANDARD 2

### Share-based payment

#### OBJECTIVE

- 1 The objective of this IFRS is to specify the financial...

#### SCOPE

- 2 An entity shall apply this IFRS in accounting for all...
- 3 .....
- 3A A share-based payment transaction may be settled by another group...
- 4 For the purposes of this IFRS, a transaction with an...
- 5 As noted in paragraph 2, this IFRS applies to share-based...
- 6 This IFRS does not apply to share-based payment transactions in...
- 6A This IFRS uses the term 'fair value' in a way...

#### RECOGNITION

- 7 An entity shall recognise the goods or services received or...
- 8 When the goods or services received or acquired in a...
- 9 Typically, an expense arises from the consumption of goods or...

## EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

### Overview

10 For equity-settled share-based payment transactions, the entity shall measure the...

11 To apply the requirements of paragraph 10 to transactions with...

12 Typically, shares, share options or other equity instruments are granted...

13 To apply the requirements of paragraph 10 to transactions with...

13A In particular, if the identifiable consideration received (if any) by...

### Transactions in which services are received

14 If the equity instruments granted vest immediately, the counterparty is...

15 If the equity instruments granted do not vest until the...

### Transactions measured by reference to the fair value of the...

#### Determining the fair value of equity instruments granted

16 For transactions measured by reference to the fair value of...

17 If market prices are not available, the entity shall estimate...

18 Appendix B contains further guidance on the measurement of the...

#### Treatment of vesting conditions

19 A grant of equity instruments might be conditional upon satisfying...

20 To apply the requirements of paragraph 19, the entity shall...

21 Market conditions, such as a target share price upon which...

#### Treatment of non-vesting conditions

21A Similarly, an entity shall take into account all non-vesting conditions...

#### Treatment of a reload feature

22 For options with a reload feature, the reload feature shall...

#### After vesting date

23 Having recognised the goods or services received in accordance with...

If the fair value of the equity instruments cannot be...

24 The requirements in paragraphs 16-23 apply when the entity is...

25 If an entity applies paragraph 24, it is not necessary...

### Modifications to the terms and conditions on which equity instruments...

26 An entity might modify the terms and conditions on which...

27 The entity shall recognise, as a minimum, the services received...

28 If a grant of equity instruments is cancelled or settled...

28A If an entity or counterparty can choose whether to meet...

29 If an entity repurchases vested equity instruments, the payment made...

## CASH-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

30 For cash-settled share-based payment transactions, the entity shall measure the...

31 For example, an entity might grant share appreciation rights to...

32 The entity shall recognise the services received, and a liability...

33 The liability shall be measured, initially and at the end...

## TREATMENT OF VESTING AND NON-VESTING CONDITIONS

33A A cash-settled share-based payment transaction might be conditional upon satisfying...

- 33B To apply the requirements in paragraph 33A, the entity shall...
- 33C Market conditions, such as a target share price upon which...
- 33D As a result of applying paragraphs 30-33C, the cumulative amount...

#### SHARE-BASED PAYMENT TRANSACTIONS WITH A NET SETTLEMENT FEATURE FOR WITHHOLDING...

- 33E Tax laws or regulations may oblige an entity to withhold...
- 33F As an exception to the requirements in paragraph 34, the...
- 33G The entity applies paragraph 29 of this Standard to account...
- 33H The exception in paragraph 33F does not apply to:

#### SHARE-BASED PAYMENT TRANSACTIONS WITH CASH ALTERNATIVES

- 34 For share-based payment transactions in which the terms of the...  
Share-based payment transactions in which the terms of the arrangement...
  - 35 If an entity has granted the counterparty the right to...
  - 36 For other transactions, including transactions with employees, the entity shall...
    - 37 To apply paragraph 36, the entity shall first measure the...
    - 38 The entity shall account separately for the goods or services...
    - 39 At the date of settlement, the entity shall remeasure the...
    - 40 If the entity pays in cash on settlement rather than...  
Share-based payment transactions in which the terms of the arrangement...
      - 41 For a share-based payment transaction in which the terms of...
      - 42 If the entity has a present obligation to settle in...
      - 43 If no such obligation exists, the entity shall account for...

#### SHARE-BASED PAYMENT TRANSACTIONS AMONG GROUP ENTITIES (2009 AMENDMENTS)

- 43A For share-based payment transactions among group entities, in its separate...
- 43B The entity receiving the goods or services shall measure the...
- 43C The entity settling a share-based payment transaction when another entity...
- 43D Some group transactions involve repayment arrangements that require one group...

#### DISCLOSURES

- 44 An entity shall disclose information that enables users of the...
- 45 To give effect to the principle in paragraph 44, the...
- 46 An entity shall disclose information that enables users of the...
- 47 If the entity has measured the fair value of goods...
- 48 If the entity has measured directly the fair value of...
- 49 If the entity has rebutted the presumption in paragraph 13,...
- 50 An entity shall disclose information that enables users of the...
- 51 To give effect to the principle in paragraph 50, the...
- 52 If the information required to be disclosed by this Standard...

#### TRANSITIONAL PROVISIONS

- 53 For equity-settled share-based payment transactions, the entity shall apply this...
- 54 The entity is encouraged, but not required, to apply this...
- 55 For all grants of equity instruments to which this IFRS...
- 56 For all grants of equity instruments to which this IFRS...
- 57 If, after the IFRS becomes effective, an entity modifies the...
- 58 For liabilities arising from share-based payment transactions existing at the...

- 59 The entity is encouraged, but not required, to apply retrospectively...  
59A An entity shall apply the amendments in paragraphs 30-31, 33-33H...  
59B Notwithstanding the requirements in paragraph 59A, an entity may apply...

#### EFFECTIVE DATE

- 60 An entity shall apply this IFRS for annual periods beginning...  
61 IFRS 3 (as revised in 2008) and Improvements to IFRSs...  
62 An entity shall apply the following amendments retrospectively in annual...  
63 An entity shall apply the following amendments made by Group...  
63A IFRS 10 Consolidated Financial Statements and IFRS 11, issued in...  
63B Annual Improvements to IFRSs 2010–2012 Cycle, issued in December...  
63C IFRS 9, as issued in July 2014, amended paragraph 6...  
63D Classification and Measurement of Share-based Payment Transactions  
(Amendments to IFRSs...)

#### WITHDRAWAL OF INTERPRETATIONS

- 64 Group Cash-settled Share-based Payment Transactions issued in June 2009  
supersedes...

### Appendix A

#### Defined terms

### Appendix B

#### Application Guidance

#### Estimating the fair value of equity instruments granted

- B1 Paragraphs B2-B41 of this appendix discuss measurement of the fair...  
Shares  
B2 For shares granted to employees, the fair value of the...  
B3 For example, if the employee is not entitled to receive...  
Share options  
B4 For share options granted to employees, in many cases market...  
B5 The entity shall consider factors that knowledgeable, willing market  
participants...  
B6 All option pricing models take into account, as a minimum,...  
B7 Other factors that knowledgeable, willing market participants would  
consider in...  
B8 For example, a share option granted to an employee typically...  
B9 Similarly, another factor common to employee share options is the...  
B10 Factors that a knowledgeable, willing market participant would not  
consider...  
Inputs to option pricing models  
B11 In estimating the expected volatility of and dividends on the...  
B12 Often, there is likely to be a range of reasonable...  
B13 Expectations about the future are generally based on experience,  
modified...  
B14 In other circumstances, historical information may not be available.  
For...

- B15 In summary, an entity should not simply base estimates of...  
Expected early exercise
- B16 Employees often exercise share options early, for a variety of...  
B17 The means by which the effects of expected early exercise...  
B18 Factors to consider in estimating early exercise include:  
B19 As noted in paragraph B17, the effects of early exercise...  
B20 Separating an option grant into groups for employees with relatively...  
B21 Similar considerations apply when using a binomial or similar model....  
Expected volatility
- B22 Expected volatility is a measure of the amount by which...  
B23 The rate of return (which may be positive or negative)...  
B24 The expected annualised volatility of a share is the range...  
B25 Factors to consider in estimating expected volatility include:  
Newly listed entities
- B26 As noted in paragraph B25, an entity should consider historical...  
Unlisted entities
- B27 An unlisted entity will not have historical information to consider...  
B28 In some cases, an unlisted entity that regularly issues options...  
B29 Alternatively, the entity could consider the historical or implied volatility...  
B30 If the entity has not based its estimate of the...
- Expected dividends
- B31 Whether expected dividends should be taken into account when measuring...  
B32 For example, if employees were granted options and are entitled...  
B33 Similarly, when the grant date fair value of shares granted...  
B34 Conversely, if the employees are not entitled to dividends or...  
B35 Option pricing models generally call for expected dividend yield. However,...
- B36 Generally, the assumption about expected dividends should be based on...
- Risk-free interest rate
- B37 Typically, the risk-free interest rate is the implied yield currently...  
Capital structure effects
- B38 Typically, third parties, not the entity, write traded share options....  
B39 In contrast, if share options are written by the entity,...  
B40 Whether this has a significant effect on the value of...  
B41 However, the entity should consider whether the possible dilutive effect...

#### Modifications to equity-settled share-based payment arrangements

- B42 Paragraph 27 requires that, irrespective of any modifications to the...  
B43 To apply the requirements of paragraph 27:  
B44 Furthermore, if the entity modifies the terms or conditions of...

#### Accounting for a modification of a share-based payment transaction that...

- B44A If the terms and conditions of a cash-settled share-based payment...  
B44B If, as a result of the modification, the vesting period...  
B44C A cash-settled share-based payment transaction may be cancelled or settled...

#### Share-based payment transactions among group entities (2009 amendments)

- B45 Paragraphs 43A–43C address the accounting for share-based payment transactions among...
- B46 Although the discussion below focuses on transactions with employees, it...
- B47 Four issues are commonly encountered in share-based payment transactions among...  
Share-based payment arrangements involving an entity's own equity instruments
- B48 The first issue is whether the following transactions involving an...
- B49 The entity shall account for share-based payment transactions in which...
- B50 If the shareholder has an obligation to settle the transaction...  
Share-based payment arrangements involving equity instruments of the parent
- B51 The second issue concerns share-based payment transactions between two or...
- B52 Therefore, the second issue concerns the following share-based payment arrangements:...
- A parent grants rights to its equity instruments to the...
- B53 The subsidiary does not have an obligation to provide its...
- B54 The parent has an obligation to settle the transaction with...  
A subsidiary grants rights to equity instruments of its parent...
- B55 Because the subsidiary does not meet either of the conditions...  
Share-based payment arrangements involving cash-settled payments to employees
- B56 The third issue is how an entity that receives goods...
- B57 The subsidiary does not have an obligation to settle the...
- B58 Because the parent has an obligation to settle the transaction...  
Transfer of employees between group entities
- B59 The fourth issue relates to group share-based payment arrangements that...
- B60 If the subsidiary has an obligation to settle the transaction...
- B61 Such an employee, after transferring between group entities, may fail...

## INTERNATIONAL FINANCIAL REPORTING STANDARD 3

### Business Combinations

#### OBJECTIVE

1. The objective of this IFRS is to improve the relevance,...

#### SCOPE

2. This IFRS applies to a transaction or other event that...
- 2A. The requirements of this Standard do not apply to the...

#### IDENTIFYING A BUSINESS COMBINATION

3. An entity shall determine whether a transaction or other event...

#### THE ACQUISITION METHOD

4. An entity shall account for each business combination by applying...
5. Applying the acquisition method requires:  
Identifying the acquirer
6. For each business combination, one of the combining entities shall...
7. The guidance in IFRS 10 shall be used to identify...

#### Determining the acquisition date

8. The acquirer shall identify the acquisition date, which is the...

9. The date on which the acquirer obtains control of the...

Recognising and measuring the identifiable assets acquired, the liabilities assumed...

#### Recognition principle

10. As of the acquisition date, the acquirer shall recognise, separately...

#### Recognition conditions

11. To qualify for recognition as part of applying the acquisition...

12. In addition, to qualify for recognition as part of applying...

13. The acquirer's application of the recognition principle and conditions may...

14. Paragraphs B31–B40 provide guidance on recognising intangible assets. Paragraphs 22–28B...

Classifying or designating identifiable assets acquired and liabilities assumed in...

15. At the acquisition date, the acquirer shall classify or designate...

16. In some situations, IFRSs provide for different accounting depending on...

17. This IFRS provides two exceptions to the principle in paragraph...

#### Measurement principle

18. The acquirer shall measure the identifiable assets acquired and the...

19. For each business combination, the acquirer shall measure at the...

20. Paragraphs 24–31 specify the types of identifiable assets and liabilities...

#### Exceptions to the recognition or measurement principles

21. This IFRS provides limited exceptions to its recognition and measurement...

#### Exception to the recognition principle

##### Contingent liabilities

22. IAS 37 Provisions, Contingent Liabilities and Contingent Assets defines a...

23. The requirements in IAS 37 do not apply in determining...

#### Exceptions to both the recognition and measurement principles

##### Income taxes

24. The acquirer shall recognise and measure a deferred tax asset...

25. The acquirer shall account for the potential tax effects of...

##### Employee benefits

26. The acquirer shall recognise and measure a liability (or asset,...

##### Indemnification assets

27. The seller in a business combination may contractually indemnify the...

28. In some circumstances, the indemnification may relate to an asset...
- Leases in which the acquirer is the lessee
- 28A. The acquirer shall recognise right-of-use assets and lease liabilities for...
- 28B. The acquirer shall measure the lease liability at the present...
- Exceptions to the measurement principle
- Reacquired rights
29. The acquirer shall measure the value of a reacquired right...
- Share-based payment transactions
30. The acquirer shall measure a liability or an equity instrument...
- Assets held for sale
31. The acquirer shall measure an acquired non-current asset (or disposal...
- Recognising and measuring goodwill or a gain from a bargain...
32. The acquirer shall recognise goodwill as of the acquisition date...
33. In a business combination in which the acquirer and the...
- Bargain purchases
34. Occasionally, an acquirer will make a bargain purchase, which is...
35. A bargain purchase might happen, for example, in a business...
36. Before recognising a gain on a bargain purchase, the acquirer...
- Consideration transferred
37. The consideration transferred in a business combination shall be measured...
38. The consideration transferred may include assets or liabilities of the...
- Contingent consideration
39. The consideration the acquirer transfers in exchange for the acquiree...
40. The acquirer shall classify an obligation to pay contingent consideration...
- Additional guidance for applying the acquisition method to particular types...
- A business combination achieved in stages
41. An acquirer sometimes obtains control of an acquiree in which...
42. In a business combination achieved in stages, the acquirer shall...
- 42A. When a party to a joint arrangement (as defined in...
- A business combination achieved without the transfer of consideration
43. An acquirer sometimes obtains control of an acquiree without transferring...
44. In a business combination achieved by contract alone, the acquirer...
- Measurement period
45. If the initial accounting for a business combination is incomplete...
46. The measurement period is the period after the acquisition date...
47. The acquirer shall consider all pertinent factors in determining whether...



48. The acquirer recognises an increase (decrease) in the provisional amount...
49. During the measurement period, the acquirer shall recognise adjustments to...
50. After the measurement period ends, the acquirer shall revise the...  
Determining what is part of the business combination transaction
51. The acquirer and the acquiree may have a pre-existing relationship...
52. A transaction entered into by or on behalf of the...  
Acquisition-related costs
53. Acquisition-related costs are costs the acquirer incurs to effect a...

#### SUBSEQUENT MEASUREMENT AND ACCOUNTING

54. In general, an acquirer shall subsequently measure and account for...  
Reacquired rights
55. A reacquired right recognised as an intangible asset shall be...  
Contingent liabilities
56. After initial recognition and until the liability is settled, cancelled...  
Indemnification assets
57. At the end of each subsequent reporting period, the acquirer...  
Contingent consideration
58. Some changes in the fair value of contingent consideration that...

#### DISCLOSURES

59. The acquirer shall disclose information that enables users of its...
60. To meet the objective in paragraph 59, the acquirer shall...
61. The acquirer shall disclose information that enables users of its...
62. To meet the objective in paragraph 61, the acquirer shall...
63. If the specific disclosures required by this and other IFRSs...

#### EFFECTIVE DATE AND TRANSITION

- Effective date
64. This IFRS shall be applied prospectively to business combinations for...
  - 64B. Improvements to IFRSs issued in May 2010 amended paragraphs 19,...
  - 64C. Paragraphs 65A–65E were added by Improvements to IFRSs issued in...
  - 64E. IFRS 10, issued in May 2011, amended paragraphs 7, B13,...
  - 64F. IFRS 13 Fair Value Measurement, issued in May 2011,...
  - 64G. Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS...
  - 64I. Annual Improvements to IFRSs 2010–2012 Cycle, issued in December...
  - 64J. Annual Improvements Cycle 2011–2013 issued in December 2013 amended paragraph...
  - 64K. IFRS 15 Revenue from Contracts with Customers, issued in...
  - 64L. IFRS 9, as issued in July 2014, amended paragraphs 16,...
  - 64M. IFRS 16, issued in January 2016, amended paragraphs 14, 17,...
  - 64O. Annual Improvements to IFRS Standards 2015–2017 Cycle, issued in...
  - 64P. Definition of a Business, issued in October 2018, added...
- Transition
65. Assets and liabilities that arose from business combinations whose acquisition...

*Changes to legislation:* There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- 65A. Contingent consideration balances arising from business combinations whose acquisition dates...
- 65B. If a business combination agreement provides for an adjustment to...
- 65C. A business combination agreement may allow for adjustments to the...
- 65D. However, when a business combination agreement provides for such an...
- 65E. In some circumstances, the acquirer may be required to make...
- 66. An entity, such as a mutual entity, that has not...  
Income taxes
- 67. For business combinations in which the acquisition date was before...  
REFERENCE TO IFRS 9
- 67A. If an entity applies this Standard but does not yet...

#### WITHDRAWAL OF IFRS 3 (2004)

- 68. This IFRS supersedes IFRS 3 Business Combinations (as issued in...

#### Appendix A

#### Defined terms

#### Appendix B

#### Application guidance

- BUSINESS COMBINATIONS OF ENTITIES UNDER COMMON CONTROL (APPLICATION OF PARAGRAPH...)
- B1 This IFRS does not apply to a business combination of...
- B2 A group of individuals shall be regarded as controlling an...
- B3 An entity may be controlled by an individual or by...
- B4 The extent of non-controlling interests in each of the combining...  
IDENTIFYING A BUSINESS COMBINATION (APPLICATION OF PARAGRAPH 3)
- B5 This IFRS defines a business combination as a transaction or...
- B6 A business combination may be structured in a variety of...  
DEFINITION OF A BUSINESS (APPLICATION OF PARAGRAPH 3)
- B7 A business consists of inputs and processes applied to those...  
Optional test to identify concentration of fair value
- B7A Paragraph B7B sets out an optional test (the concentration test)...
- B7B The concentration test is met if substantially all of the...
- B7C The requirements in paragraph B7B do not modify the guidance...  
Elements of a business
- B8 Although businesses usually have outputs, outputs are not required for...
- B8A If an acquired set of activities and assets has outputs,...
- B9 The nature of the elements of a business varies by...
- B10 [Deleted]
- B11 Determining whether a particular set of activities and assets is...  
Assessing whether an acquired process is substantive

B12 Paragraphs B12A–B12D explain how to assess whether an acquired process...

B12A An example of an acquired set of activities and assets...

B12B If a set of activities and assets does not have...

B12C If a set of activities and assets has outputs at...

B12D The following additional discussion supports both paragraphs B12B and B12C:...

#### IDENTIFYING THE ACQUIRER (APPLICATION OF PARAGRAPHS 6 AND 7)

B13 The guidance in IFRS 10 Consolidated Financial Statements shall be...

B14 In a business combination effected primarily by transferring cash or...

B15 In a business combination effected primarily by exchanging equity interests,...

B16 The acquirer is usually the combining entity whose relative size...

B17 In a business combination involving more than two entities, determining...

B18 A new entity formed to effect a business combination is...

#### REVERSE ACQUISITIONS

B19 A reverse acquisition occurs when the entity that issues securities...

Measuring the consideration transferred

B20 In a reverse acquisition, the accounting acquirer usually issues no...

Preparation and presentation of consolidated financial statements

B21 Consolidated financial statements prepared following a reverse acquisition are issued...

B22 Because the consolidated financial statements represent the continuation of the...

Non-controlling interest

B23 In a reverse acquisition, some of the owners of the...

B24 The assets and liabilities of the legal acquiree are measured...

Earnings per share

B25 As noted in paragraph B22(d), the equity structure in the...

B26 In calculating the weighted average number of ordinary shares outstanding...

B27 The basic earnings per share for each comparative period before...

#### RECOGNISING PARTICULAR ASSETS ACQUIRED AND LIABILITIES ASSUMED (APPLICATION OF PARAGRAPHS...

Operating leases

B28 [Deleted]

B29 [Deleted]

B30 [Deleted]

Intangible assets

B31 The acquirer shall recognise, separately from goodwill, the identifiable intangible...

B32 An intangible asset that meets the contractual-legal criterion is identifiable...

B33 The separability criterion means that an acquired intangible asset is...

B34 An intangible asset that is not individually separable from the...  
Reacquired rights

B35 As part of a business combination, an acquirer may reacquire...

**Changes to legislation:** There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- B36 If the terms of the contract giving rise to a...  
Assembled workforce and other items that are not identifiable
- B37 The acquirer subsumes into goodwill the value of an  
acquired...
- B38 The acquirer also subsumes into goodwill any value  
attributed to...
- B39 After initial recognition, an acquirer accounts for  
intangible assets acquired...
- B40 The identifiability criteria determine whether an  
intangible asset is recognised...

#### MEASURING THE FAIR VALUE OF PARTICULAR IDENTIFIABLE ASSETS AND A...

Assets with uncertain cash flows (valuation allowances)

- B41 The acquirer shall not recognise a separate valuation allowance  
as...

Assets subject to operating leases in which the acquiree is...

- B42 In measuring the acquisition-date fair value of an asset such...

Assets that the acquirer intends not to use or to...

- B43 To protect its competitive position, or for other reasons, the...

- B44 This IFRS allows the acquirer to measure a non-controlling  
interest...

- B45 The fair values of the acquirer's interest in the acquiree...

#### MEASURING GOODWILL OR A GAIN FROM A BARGAIN PURCHASE

Measuring the acquisition-date fair value of the acquirer's interest in...

- B46 In a business combination achieved without the transfer of  
consideration,...

Special considerations in applying the acquisition method to  
combinations of...

- B47 When two mutual entities combine, the fair value of the...

- B48 Although they are similar in many ways to other businesses,...

- B49 A fair value measurement of a mutual entity should include...

#### DETERMINING WHAT IS PART OF THE BUSINESS COMBINATION TRANSACTION (APPLICATION...

- B50 The acquirer should consider the following factors, which are neither...  
Effective settlement of a pre-existing relationship between the acquirer  
and...

- B51 The acquirer and acquiree may have a relationship that  
existed...

- B52 If the business combination in effect settles a pre-existing  
relationship,...

- B53 A pre-existing relationship may be a contract that the  
acquirer...

Arrangements for contingent payments to employees or selling  
shareholders (application...

- B54 Whether arrangements for contingent payments to employees  
or selling shareholders...

- B55 If it is not clear whether an arrangement for payments...

Acquirer share-based payment awards exchanged for awards held by  
the...

- B56 An acquirer may exchange its share-based payment awards  
(replacement awards)...

- B57 To determine the portion of a replacement award that is...

- B58 The portion of the replacement award attributable to pre-combination service...
- B59 The portion of a non-vested replacement award attributable to post-combination...
- B60 The portion of a non-vested replacement award attributable to pre-combination...
- B61 The same requirements for determining the portions of a replacement...
- B62 The income tax effects of replacement awards of share-based payments...
- Equity-settled share-based payment transactions of the acquiree
- B62A The acquiree may have outstanding share-based payment transactions that the...
- B62B The market-based measure of unvested share-based payment transactions is allocated...
- OTHER IFRSS THAT PROVIDE GUIDANCE ON SUBSEQUENT MEASUREMENT AND ACCOUNTING...
- B63 Examples of other IFRSs that provide guidance on subsequently measuring...
- DISCLOSURES (APPLICATION OF PARAGRAPHS 59 AND 61)
- B64 To meet the objective in paragraph 59, the acquirer shall...
- B65 For individually immaterial business combinations occurring during the reporting period...
- B66 If the acquisition date of a business combination is after...
- B67 To meet the objective in paragraph 61, the acquirer shall...
- TRANSITIONAL PROVISIONS FOR BUSINESS COMBINATIONS INVOLVING ONLY MUTUAL ENTITIES OR...
- B68 Paragraph 64 provides that this IFRS applies prospectively to business...
- B69 The requirement to apply this IFRS prospectively has the following...

## INTERNATIONAL FINANCIAL REPORTING STANDARD 4

### Insurance contracts

#### OBJECTIVE

- 1 The objective of this IFRS is to specify the financial...

#### SCOPE

- 2 An entity shall apply this IFRS to:
- 3 This IFRS does not address other aspects of accounting by...
- 4 An entity shall not apply this IFRS to:
- 5 For ease of reference, this IFRS describes any entity that...
- 6 A reinsurance contract is a type of insurance contract. Accordingly,...
- Embedded derivatives
- 7 IFRS 9 requires an entity to separate some embedded derivatives...
- 8 As an exception to the requirements in IFRS 9, an...
- 9 Paragraph 8 applies equally to options to surrender a financial...
- Unbundling of deposit components
- 10 Some insurance contracts contain both an insurance component and a...
- 11 The following is an example of a case when an...
- 12 To unbundle a contract, an insurer shall:

## RECOGNITION AND MEASUREMENT

- Temporary exemption from some other IFRSs
- 13 Paragraphs 10-12 of IAS 8 Accounting policies, changes in accounting...
- 14 Nevertheless, this IFRS does not exempt an insurer from some...  
Liability adequacy test
- 15 An insurer shall assess at the end of each reporting...
- 16 If an insurer applies a liability adequacy test that meets...
- 17 If an insurer's accounting policies do not require a liability...
- 18 If an insurer's liability adequacy test meets the minimum requirements...
- 19 The amount described in paragraph 17(b) (i.e. the result of...  
Impairment of reinsurance assets
- 20 If a cedant's reinsurance asset is impaired, the cedant shall...
- Temporary exemption from IFRS 9
- 20A IFRS 9 addresses the accounting for financial instruments and is...
- 20B An insurer may apply the temporary exemption from IFRS 9...
- 20C An insurer applying the temporary exemption from IFRS 9 is...
- 20D An insurer's activities are predominantly connected with insurance if, and...
- 20E For the purposes of applying paragraph 20D(b), liabilities connected with...
- 20F In assessing whether it engages in a significant activity unconnected...
- 20G Paragraph 20B(b) requires an entity to assess whether it qualifies...
- 20H For the purposes of applying paragraph 20G, a change in...
- 20I A change in an entity's activities, as described in paragraph...
- 20J If an entity no longer qualifies for the temporary exemption...
- 20K An insurer that previously elected to apply the temporary exemption...  
First-time adopter
- 20L A first-time adopter, as defined in IFRS 1 First-time Adoption...
- 20M IFRS 1 contains requirements and exemptions applicable to a first-time...
- 20N A first-time adopter that discloses the information required by paragraphs...
- Temporary exemption from specific requirements in IAS 28
- 20O Paragraphs 35–36 of IAS 28 Investments in Associates and Joint...
- 20P When an entity uses the equity method to account for...
- 20Q An entity may apply paragraphs 20O and 20P(b) separately for...
- Changes in accounting policies
- 21 Paragraphs 22-30 apply both to changes made by an insurer...
- 22 An insurer may change its accounting policies for insurance contracts...
- 23 To justify changing its accounting policies for insurance contracts, an...  
Current market interest rates
- 24 An insurer is permitted, but not required, to change its...  
Continuation of existing practices

- 25 An insurer may continue the following practices, but the introduction...
- Prudence
- 26 An insurer need not change its accounting policies for insurance...
- Future investment margins
- 27 An insurer need not change its accounting policies for insurance...
- 28 An insurer may overcome the rebuttable presumption described in paragraph...
- 29 In some measurement approaches, the discount rate is used to...
- Shadow accounting
- 30 In some accounting models, realised gains or losses on an...  
Insurance contracts acquired in a business combination or portfolio transfer...
- 31 To comply with IFRS 3, an insurer shall, at the...
- 32 An insurer acquiring a portfolio of insurance contracts may use...
- 33 The intangible assets described in paragraphs 31 and 32 are...
- Discretionary participation features
- Discretionary participation features in insurance contracts
- 34 Some insurance contracts contain a discretionary participation feature as well...
- Discretionary participation features in financial instruments
- 35 The requirements in paragraph 34 also apply to a financial...
- 35A The temporary exemptions in paragraphs 20A, 20L and 20O and...

## PRESENTATION

- The overlay approach
- 35B An insurer is permitted, but not required, to apply the...
- 35C An insurer may elect to apply the overlay approach described...
- 35D An insurer shall present the amount reclassified between profit or...
- 35E A financial asset is eligible for designation for the overlay...
- 35F An insurer may designate an eligible financial asset for the...
- 35G An insurer is permitted to designate eligible financial assets for...
- 35H When relevant, for the purposes of applying the overlay approach...
- 35I An entity shall continue to apply the overlay approach to...
- 35J When an entity de-designates a financial asset applying paragraph 35I(a),...
- 35K If an entity stops using the overlay approach applying the...
- Interaction with other requirements
- 35L Paragraph 30 of this IFRS permits a practice that is...
- 35M Reclassifying an amount between profit or loss and other comprehensive...
- First-time adopter
- 35N If a first-time adopter elects to apply the overlay approach,...

## DISCLOSURE

- Explanation of recognised amounts
- 36 An insurer shall disclose information that identifies and explains the...
- 37 To comply with paragraph 36, an insurer shall disclose:
- Nature and extent of risks arising from insurance contracts
- 38 An insurer shall disclose information that enables users of its...

*Changes to legislation:* There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- 39 To comply with paragraph 38, an insurer shall disclose:
- 39A To comply with paragraph 39(c)(i), an insurer shall disclose either...  
Disclosures about the temporary exemption from IFRS 9
- 39B An insurer that elects to apply the temporary exemption from...
- 39C To comply with paragraph 39B(a), an insurer shall disclose the...
- 39D If, applying paragraph 20G(a), an entity concludes that its activities...
- 39E To comply with paragraph 39B(b), an insurer shall disclose the...
- 39F When disclosing the information in paragraph 39E, the insurer:
- 39G To comply with paragraph 39B(b), an insurer shall disclose  
information...
- 39H To comply with paragraph 39B(b), an insurer shall disclose  
information...
- 39I If an entity elected to apply the exemption in paragraph...
- 39J If an entity applied the temporary exemption from IFRS 9...  
Disclosures about the overlay approach
- 39K An insurer that applies the overlay approach shall disclose  
information...
- 39L To comply with paragraph 39K, an insurer shall disclose:
- 39M If an entity applied the overlay approach when accounting for...

#### EFFECTIVE DATE AND TRANSITION

- 40 The transitional provisions in paragraphs 41-45 apply both to an...
- 41 An entity shall apply this IFRS for annual periods beginning...
- 41A Financial guarantee contracts (amendments to IAS 39 and IFRS 4),...
- 41B IAS 1 (as revised in 2007) amended the terminology used...
- 41E IFRS 13 Fair Value Measurement, issued in May 2011,...
- 41G IFRS 15 Revenue from Contracts with Customers, issued in...
- 41H IFRS 9, as issued in July 2014, amended paragraphs 3,...
- 41I IFRS 16, issued in January 2016, amended paragraph 4. An...  
Disclosure
- 42 An entity need not apply the disclosure requirements in this...
- 43 If it is impracticable to apply a particular requirement of...
- 44 In applying paragraph 39(c)(iii), an entity need not disclose  
information...
- Redesignation of financial assets
- 45 Notwithstanding paragraph 4.4.1 of IFRS 9, when an insurer changes...

#### Applying IFRS 4 with IFRS 9

- Temporary exemption from IFRS 9
- 46 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance  
Contracts...
- 47 An entity that discloses the information required by paragraphs 39B–  
39J...
- The overlay approach
- 48 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance  
Contracts...
- 49 An entity that elects to apply the overlay approach shall:...

Appendix A

Defined terms



## Appendix B

### Definition of an insurance contract

B1 This appendix gives guidance on the definition of an insurance...

#### Uncertain future event

B2 Uncertainty (or risk) is the essence of an insurance contract....

B3 In some insurance contracts, the insured event is the discovery...

B4 Some insurance contracts cover events that have already occurred, but...

#### Payments in kind

B5 Some insurance contracts require or permit payments to be made...

B6 Some fixed-fee service contracts in which the level of service...

B7 Applying the IFRS to the contracts described in paragraph B6...

#### Distinction between insurance risk and other risks

B8 The definition of an insurance contract refers to insurance risk,...

B9 The definition of financial risk in Appendix A includes a...

B10 Some contracts expose the issuer to financial risk, in addition...

B11 Under some contracts, an insured event triggers the payment of...

B12 The definition of insurance risk refers to risk that the...

B13 The definition of an insurance contract refers to an adverse...

B14 Some contracts require a payment if a specified uncertain event...

B15 Lapse or persistency risk (i.e. the risk that the counterparty...

B16 Therefore, a contract that exposes the issuer to lapse risk,...

B17 An insurer can accept significant insurance risk from the policyholder...

#### Examples of insurance contracts

B18 The following are examples of contracts that are insurance contracts,...

B19 The following are examples of items that are not insurance...

B20 If the contracts described in paragraph B19 create financial assets...

B21 If the contracts described in paragraph B19 do not create...

#### Significant insurance risk

B22 A contract is an insurance contract only if it transfers...

B23 Insurance risk is significant if, and only if, an insured...

B24 The additional benefits described in paragraph B23 refer to amounts...

B25 An insurer shall assess the significance of insurance risk contract...

B26 It follows from paragraphs B23-B25 that if a contract pays...

B27 Paragraph B23 refers to additional benefits. These additional benefits could...

B28 If an insurance contract is unbundled into a deposit component...

#### Changes in the level of insurance risk

B29 Some contracts do not transfer any insurance risk to the...

B30 A contract that qualifies as an insurance contract remains an...

## INTERNATIONAL FINANCIAL REPORTING STANDARD 5

### Non-current assets held for sale and discontinued operations

#### OBJECTIVE

1 The objective of this IFRS is to specify the accounting...

#### SCOPE

- 2 The classification and presentation requirements of this IFRS apply to...  
3 Assets classified as non-current in accordance with IAS 1 Presentation...  
4 Sometimes an entity disposes of a group of assets, possibly...  
5 The measurement provisions of this IFRS do not apply to...  
5A The classification, presentation and measurement requirements in this IFRS  
applicable...  
5B This IFRS specifies the disclosures required in respect of non-current...

#### CLASSIFICATION OF NON-CURRENT ASSETS (OR DISPOSAL GROUPS) AS HELD FOR...

- 6 An entity shall classify a non-current asset (or disposal group)...  
7 For this to be the case, the asset (or disposal...  
8 For the sale to be highly probable, the appropriate level...  
8A An entity that is committed to a sale plan involving...  
9 Events or circumstances may extend the period to complete the...  
10 Sale transactions include exchanges of non-current assets for other non-  
current...  
11 When an entity acquires a non-current asset (or disposal group)...  
12 If the criteria in paragraphs 7 and 8 are met...  
12A A non-current asset (or disposal group) is classified as held...  
Non-current assets that are to be abandoned  
13 An entity shall not classify as held for sale a...  
14 An entity shall not account for a non-current asset that...

#### MEASUREMENT OF NON-CURRENT ASSETS (OR DISPOSAL GROUPS) CLASSIFIED AS HELD...

##### Measurement of a non-current asset (or disposal group)

- 15 An entity shall measure a non-current asset (or disposal group)...  
15A An entity shall measure a non-current asset (or disposal group)...  
16 If a newly acquired asset (or disposal group) meets the...  
17 When the sale is expected to occur beyond one year...  
18 Immediately before the initial classification of the asset (or disposal...  
19 On subsequent remeasurement of a disposal group, the carrying  
amounts...

##### Recognition of impairment losses and reversals

- 20 An entity shall recognise an impairment loss for any initial...  
21 An entity shall recognise a gain for any subsequent increase...  
22 An entity shall recognise a gain for any subsequent increase...  
23 The impairment loss (or any subsequent gain) recognised for a...  
24 A gain or loss not previously recognised by the date...  
25 An entity shall not depreciate (or amortise) a non-current asset...

##### Changes to a plan of sale or to a plan...

- 26 If an entity has classified an asset (or disposal group)...  
26A If an entity reclassifies an asset (or disposal group) directly...  
27 The entity shall measure a non-current asset (or disposal group)...  
28 The entity shall include any required adjustment to the carrying...  
29 If an entity removes an individual asset or liability from...

#### PRESENTATION AND DISCLOSURE

- 30 An entity shall present and disclose information that enables users...

#### Presenting discontinued operations

- 31 A component of an entity comprises operations and cash flows...
- 32 A discontinued operation is a component of an entity that...
- 33 An entity shall disclose:
  - 33A If an entity presents the items of profit or loss...
  - 34 An entity shall re-present the disclosures in paragraph 33 for...
  - 35 Adjustments in the current period to amounts previously presented in...
  - 36 If an entity ceases to classify a component of an...
  - 36A An entity that is committed to a sale plan involving...
- Gains or losses relating to continuing operations
  - 37 Any gain or loss on the remeasurement of a non-current...
- Presentation of a non-current asset or disposal group classified as...
  - 38 An entity shall present a non-current asset classified as held...
  - 39 If the disposal group is a newly acquired subsidiary that...
  - 40 An entity shall not reclassify or re-present amounts presented for...
- Additional disclosures
  - 41 An entity shall disclose the following information in the notes...
  - 42 If either paragraph 26 or paragraph 29 applies, an entity...

#### TRANSITIONAL PROVISIONS

- 43 The IFRS shall be applied prospectively to non-current assets (or...

#### EFFECTIVE DATE

- 44 An entity shall apply this IFRS for annual periods beginning...
- 44A IAS 1 (as revised in 2007) amended the terminology used...
- 44B IAS 27 (as amended by the International Accounting Standards Board...
- 44C Paragraphs 8A and 36A were added by Improvements to IFRSs...
- 44D Paragraphs 5A, 12A and 15A were added and paragraph 8...
- 44E Paragraph 5B was added by Improvements to IFRSs issued in...
- 44G IFRS 11 Joint Arrangements, issued in May 2011, amended...
- 44H IFRS 13 Fair Value Measurement, issued in May 2011,...
- 44I Presentation of Items of Other Comprehensive Income (Amendments to IAS...
- 44K IFRS 9, as issued in July 2014, amended paragraph 5...
- 44L Annual Improvements to IFRSs 2012–2014 Cycle, issued in September...

#### WITHDRAWAL OF IAS 35

- 45 This IFRS supersedes IAS 35 Discontinuing operations.

#### Appendix A

##### Defined terms

#### Appendix B

##### Application supplement

#### EXTENSION OF THE PERIOD REQUIRED TO COMPLETE A SALE

- B1 As noted in paragraph 9, an extension of the period...

## INTERNATIONAL FINANCIAL REPORTING STANDARD 6

## Exploration for and evaluation of mineral resources

## OBJECTIVE

- 1 The objective of this IFRS is to specify the financial...
- 2 In particular, the IFRS requires:

## SCOPE

- 3 An entity shall apply the IFRS to exploration and evaluation...
- 4 The IFRS does not address other aspects of accounting by...
- 5 An entity shall not apply the IFRS to expenditures incurred:...

## RECOGNITION OF EXPLORATION AND EVALUATION ASSETS

Temporary exemption from IAS 8 paragraphs 11 and 12

- 6 When developing its accounting policies, an entity recognising exploration and...
- 7 Paragraphs 11 and 12 of IAS 8 specify sources of...

## MEASUREMENT OF EXPLORATION AND EVALUATION ASSETS

Measurement at recognition

- 8 Exploration and evaluation assets shall be measured at cost.

Elements of cost of exploration and evaluation assets

- 9 An entity shall determine an accounting policy specifying which expenditures...
- 10 Expenditures related to the development of mineral resources shall not...
- 11 In accordance with IAS 37 Provisions, contingent liabilities and contingent...

Measurement after recognition

- 12 After recognition, an entity shall apply either the cost model...

Changes in accounting policies

- 13 An entity may change its accounting policies for exploration and...
- 14 To justify changing its accounting policies for exploration and evaluation...

## PRESENTATION

Classification of exploration and evaluation assets

- 15 An entity shall classify exploration and evaluation assets as tangible...
- 16 Some exploration and evaluation assets are treated as intangible (e.g....

Reclassification of exploration and evaluation assets

- 17 An exploration and evaluation asset shall no longer be classified...

## IMPAIRMENT

Recognition and measurement

- 18 Exploration and evaluation assets shall be assessed for impairment when...

- 19 For the purposes of exploration and evaluation assets only, paragraph...

- 20 One or more of the following facts and circumstances indicate...

Specifying the level at which exploration and evaluation assets are...

- 21 An entity shall determine an accounting policy for allocating exploration...

- 22 The level identified by the entity for the purposes of...

#### DISCLOSURE

- 23 An entity shall disclose information that identifies and explains the...
- 24 To comply with paragraph 23, an entity shall disclose:
- 25 An entity shall treat exploration and evaluation assets as a...

#### EFFECTIVE DATE

- 26 An entity shall apply this IFRS for annual periods beginning...

#### TRANSITIONAL PROVISIONS

- 27 If it is impracticable to apply a particular requirement of...

### Appendix A

#### Defined terms

## INTERNATIONAL FINANCIAL REPORTING STANDARD 7

### Financial instruments: disclosures

#### OBJECTIVE

- 1 The objective of this IFRS is to require entities to...
- 2 The principles in this IFRS complement the principles for recognising,...

#### SCOPE

- 3 This IFRS shall be applied by all entities to all...
- 4 This IFRS applies to recognised and unrecognised financial instruments.  
Recognised...
- 5 This IFRS applies to contracts to buy or sell a...
- 5A The credit risk disclosure requirements in paragraph 35A–35N apply to...

#### CLASSES OF FINANCIAL INSTRUMENTS AND LEVEL OF DISCLOSURE

- 6 When this IFRS requires disclosures by class of financial instrument,...

#### SIGNIFICANCE OF FINANCIAL INSTRUMENTS FOR FINANCIAL POSITION AND PERFORMANCE

- 7 An entity shall disclose information that enables users of its...  
Statement of financial position
  - Categories of financial assets and financial liabilities
    - 8 The carrying amounts of each of the following categories, as...  
Financial assets or financial liabilities at fair value through profit...
    - 9 If the entity has designated as measured at fair value...
    - 10 If the entity has designated a financial liability as at...
    - 10A If an entity has designated a financial liability as at...
    - 11 The entity shall also disclose:  
Investments in equity instruments designated at fair value through other...
      - 11A If an entity has designated investments in equity instruments to...
      - 11B If an entity derecognised investments in equity instruments measured at...
  - Reclassification

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12–12A [Deleted]

12B An entity shall disclose if, in the current or previous...

12C For each reporting period following reclassification until  
derecognition, an entity...

12D If, since its last annual reporting date, an entity has...

Derecognition

13 An entity may have transferred financial assets in such a...

Offsetting financial assets and financial liabilities

13A The disclosures in paragraphs 13B–13E supplement the other  
disclosure requirements...

13B An entity shall disclose information to enable users of its...

13C To meet the objective in paragraph 13B, an entity shall...

13D The total amount disclosed in accordance with paragraph 13C(d) for...

13E An entity shall include a description in the disclosures of...

13F If the information required by paragraphs 13B–13E is disclosed in...

Collateral

14 An entity shall disclose:

15 When an entity holds collateral (of financial or non-financial  
assets)...

Allowance account for credit losses

16 [Deleted]

16A The carrying amount of financial assets measured at fair  
value...

Compound financial instruments with multiple embedded derivatives

17 If an entity has issued an instrument that contains both...

Defaults and breaches

18 For loans payable recognised at the end of the reporting...

19 If, during the period, there were breaches of loan agreement...

Statement of comprehensive income

Items of income, expense, gains or losses

20 An entity shall disclose the following items of income,  
expense,...

20A An entity shall disclose an analysis of the gain or...

Other disclosures

Accounting policies

21 In accordance with paragraph 117 of IAS 1 Presentation of...

Hedge accounting

21A An entity shall apply the disclosure requirements in paragraphs  
21B–24F...

21B An entity shall present the required disclosures in a single...

21C When paragraphs 22A–24F require the entity to separate by  
risk...

21D To meet the objectives in paragraph 21A, an entity shall...

The risk management strategy

22 [Deleted]

22A An entity shall explain its risk management strategy  
for each...

22B To meet the requirements in paragraph 22A, the  
information should...

22C When an entity designates a specific risk component  
as a...

The amount, timing and uncertainty of future cash flows

23 [Deleted]

- 23A Unless exempted by paragraph 23C, an entity shall disclose by...
  - 23B To meet the requirement in paragraph 23A, an entity shall...
  - 23C In situations in which an entity frequently resets (ie discontinues...
  - 23D An entity shall disclose by risk category a description of...
  - 23E If other sources of hedge ineffectiveness emerge in a hedging...
  - 23F For cash flow hedges, an entity shall disclose a description...
- The effects of hedge accounting on financial position and performance...
- 24 [Deleted]
  - 24A An entity shall disclose, in a tabular format, the following...
  - 24B An entity shall disclose, in a tabular format, the following...
  - 24C An entity shall disclose, in a tabular format, the following...
  - 24D When the volume of hedging relationships to which the exemption...
  - 24E An entity shall provide a reconciliation of each component of...
  - 24F An entity shall disclose the information required in paragraph 24E...
- Option to designate a credit exposure as measured at fair...
- 24G If an entity designated a financial instrument, or a proportion...
- Uncertainty arising from interest rate benchmark reform
- 24H For hedging relationships to which an entity applies the exceptions...

Fair value

- 25 Except as set out in paragraph 29, for each class...
- 26 In disclosing fair values, an entity shall group financial assets...
- 27 . . . . .
- 27A To make the disclosures required by paragraph 27B an entity...
- 27B For fair value measurements recognised in the statement of financial...
- 28 In some cases, an entity does not recognise a gain...
- 29 Disclosures of fair value are not required:
- 30 In the case described in paragraph 29(c), an entity shall...

NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

- 31 An entity shall disclose information that enables users of its...
  - 32 The disclosures required by paragraphs 33-42 focus on the risks...
  - 32A Providing qualitative disclosures in the context of quantitative disclosures enables...
- Qualitative disclosures
- 33 For each type of risk arising from financial instruments, an...
- Quantitative disclosures

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- 34 For each type of risk arising from financial instruments, an...
- 35 If the quantitative data disclosed as at the end of...
- Credit risk
- Scope and objectives
- 35A An entity shall apply the disclosure requirements in paragraphs 35F–35N...
- 35B The credit risk disclosures made in accordance with paragraphs 35F–35N...
- 35C An entity need not duplicate information that is already presented...
- 35D To meet the objectives in paragraph 35B, an entity shall...
- 35E If the disclosures provided in accordance with paragraphs 35F–35N are...
- The credit risk management practices
- 35F An entity shall explain its credit risk management practices and...
- 35G An entity shall explain the inputs, assumptions and estimation techniques...
- Quantitative and qualitative information about amounts arising from expected credit...
- 35H To explain the changes in the loss allowance and the...
- 35I To enable users of financial statements to understand the changes...
- 35J To enable users of financial statements to understand the nature...
- 35K To enable users of financial statements to understand the effect...
- 35L An entity shall disclose the contractual amount outstanding on financial...
- Credit risk exposure
- 35M To enable users of financial statements to assess an entity's...
- 35N For trade receivables, contract assets and lease receivables to which...
- 36 For all financial instruments within the scope of this IFRS,...
- Financial assets that are either past due or impaired
- 37 [Deleted]
- Collateral and other credit enhancements obtained
- 38 When an entity obtains financial or non-financial assets during the...
- Liquidity risk
- 39 An entity shall disclose:
- Market risk
- Sensitivity analysis
- 40 Unless an entity complies with paragraph 41, it shall disclose:...
- 41 If an entity prepares a sensitivity analysis, such as value-at-risk,...
- Other market risk disclosures
- 42 When the sensitivity analyses disclosed in accordance with paragraph 40...



#### TRANSFERS OF FINANCIAL ASSETS

- 42A The disclosure requirements in paragraphs 42B–42H relating to transfers of...
- 42B An entity shall disclose information that enables users of its...
- 42C For the purposes of applying the disclosure requirements in paragraphs...  
Transferred financial assets that are not derecognised in their entirety...
- 42D An entity may have transferred financial assets in such a...  
Transferred financial assets that are derecognised in their entirety
- 42E To meet the objectives set out in paragraph 42B(b), when...
- 42F An entity may aggregate the information required by paragraph 42E...
- 42G In addition, an entity shall disclose for each type of...  
Supplementary information
- 42H An entity shall disclose any additional information that it considers...

#### INITIAL APPLICATION OF IFRS 9

- 42I In the reporting period that includes the date of initial...
- 42J In the reporting period that includes the date of initial...
- 42K In the reporting period that an entity first applies the...
- 42L When required by paragraph 42K, an entity shall disclose the...
- 42M When required by paragraph 42K, an entity shall disclose the...
- 42N When required by paragraph 42K, an entity shall disclose the...
- 42O When an entity presents the disclosures set out in paragraphs...
- 42P On the date of initial application of Section 5.5 of...
- 42Q In the reporting period that includes the date of initial...
- 42R In accordance with paragraph 7.2.4 of IFRS 9, if it...
- 42S In accordance with paragraph 7.2.5 of IFRS 9, if it...

#### EFFECTIVE DATE AND TRANSITION

- 43 An entity shall apply this IFRS for annual periods beginning...
- 44 If an entity applies this IFRS for annual periods beginning...
- 44A IAS 1 (as revised in 2007) amended the terminology used...
- 44B IFRS 3 (as revised in 2008) deleted paragraph 3(c). An...
- 44C An entity shall apply the amendment in paragraph 3 for...
- 44D Paragraph 3(a) was amended by Improvements to IFRSs issued in...
- 44E [Deleted]
- 44F [Deleted]
- 44G Improving Disclosures about Financial Instruments (Amendments to IFRS 7), issued...

#### EFFECTIVE DATE AND TRANSITION

- 44G Improving Disclosures about Financial Instruments (Amendments to IFRS 7), issued...
- 44K Paragraph 44B was amended by Improvements to IFRSs issued in...
- 44L Improvements to IFRSs issued in May 2010 added paragraph 32A...
- 44M Disclosures—Transfers of Financial Assets (Amendments to IFRS 7), issued in...
- 44O IFRS 10 and IFRS 11 Joint Arrangements, issued in...
- 44P IFRS 13, issued in May 2011, amended paragraphs 3, 28,...
- 44Q Presentation of Items of Other Comprehensive Income (Amendments to IAS...
- 44R Disclosures—Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7),...
- 44X Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS...
- 44Z IFRS 9, as issued in July 2014, amended paragraphs 2–5,...
- 44ZA In accordance with paragraph 7.1.2 of IFRS 9, for annual...

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- 44AA Annual Improvements to IFRSs 2012–2014 Cycle , issued in September...
- 44BB Disclosure Initiative (Amendments to IAS 1), issued in December 2014,...
- 44CC IFRS 16 Leases , issued in January 2016, amended paragraphs...
- 44DE Interest Rate Benchmark Reform , which amended IFRS 9, IAS...
- 44DF In the reporting period in which an entity first applies...

#### WITHDRAWAL OF IAS 30

- 45 This IFRS supersedes IAS 30 Disclosures in the financial statements...

#### Appendix A

##### Defined terms

The following terms are defined in paragraph 11 of IAS...  
amortised cost of a financial asset or financial liability contract...

#### Appendix B

##### Application Guidance

#### CLASSES OF FINANCIAL INSTRUMENTS AND LEVEL OF DISCLOSURE (PARAGRAPH 6)...

- B1 Paragraph 6 requires an entity to group financial instruments into...
- B2 In determining classes of financial instrument, an entity shall, at...
- B3 An entity decides, in the light of its circumstances, how...

#### SIGNIFICANCE OF FINANCIAL INSTRUMENTS FOR FINANCIAL POSITION AND PERFORMANCE

Financial liabilities at fair value through profit or loss (paragraphs...

B4 [Deleted]

Other disclosure — accounting policies (paragraph 21)

B5 Paragraph 21 requires disclosure of the measurement basis (or bases)...

#### NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (PARAGRAPHS...

- B6 The disclosures required by paragraphs 31-42 shall be either given...  
Quantitative disclosures (paragraph 34)
- B7 Paragraph 34(a) requires disclosures of summary quantitative data  
about an...
- B8 Paragraph 34(c) requires disclosures about concentrations of risk.  
Concentrations of...
- Credit risk management practices (paragraphs 35F–35G)
- B8A Paragraph 35F(b) requires the disclosure of information about how  
an...
- B8B To assist users of financial statements in evaluating an entity's...
- B8C Paragraph 35G(a) requires the disclosure of information about the  
basis...
- Changes in the loss allowance (paragraph 35H)
- B8D In accordance with paragraph 35H, an entity is required to...

- B8E For loan commitments and financial guarantee contracts the loss allowance...
- Collateral (paragraph 35K)
- B8F Paragraph 35K requires the disclosure of information that will enable...
- B8G A narrative description of collateral and its effect on amounts...
- Credit risk exposure (paragraphs 35M–35N)
- B8H Paragraph 35M requires the disclosure of information about an entity's...
- B8I The number of credit risk rating grades used to disclose...
- B8J When an entity has measured expected credit losses on a...  
Maximum credit risk exposure (paragraph 36(a))
- B9 Paragraphs 35K(a) and 36(a) require disclosure of the amount that...
- B10 Activities that give rise to credit risk and the associated...
- Quantitative liquidity risk disclosures (paragraphs 34(a) and 39(a) and (b))...
- B10A In accordance with paragraph 34(a) an entity discloses summary quantitative...
- B11 In preparing the maturity analyses required by paragraph 39(a) and...
- B11A In complying with paragraph 39(a) and (b), an entity shall...
- B11B Paragraph 39(b) requires an entity to disclose a quantitative maturity...
- B11C Paragraph 39(a) and (b) requires an entity to disclose maturity...
- B11D The contractual amounts disclosed in the maturity analyses as required...
- B11E Paragraph 39(c) requires an entity to describe how it manages...
- B11F Other factors that an entity might consider in providing the...
- B12 .....
- B13 .....
- B14 The amounts disclosed in the maturity analysis are the contractual...
- B15 .....
- B16 .....
- Market risk — sensitivity analysis (paragraphs 40 and 41)
- B17 Paragraph 40(a) requires a sensitivity analysis for each type of...
- B18 Paragraph 40(a) requires the sensitivity analysis to show the effect...
- B19 In determining what a reasonably possible change in the relevant...
- B20 Paragraph 41 permits an entity to use a sensitivity analysis...
- B21 An entity shall provide sensitivity analyses for the whole of...  
Interest rate risk
- B22 Interest rate risk arises on interest-bearing financial instruments recognised in...
- Currency risk
- B23 Currency risk (or foreign exchange risk) arises on financial instruments...
- B24 A sensitivity analysis is disclosed for each currency to which...
- Other price risk
- B25 Other price risk arises on financial instruments because of changes...
- B26 Two examples of financial instruments that give rise to equity...
- B27 In accordance with paragraph 40(a), the sensitivity of profit or...
- B28 Financial instruments that an entity classifies as equity instruments are...

DERECOGNITION (PARAGRAPHS 42C–42H)  
Continuing involvement (paragraph 42C)

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- B29 The assessment of continuing involvement in a transferred financial asset...
- B30 An entity does not have a continuing involvement in a...
- B30A When an entity transfers a financial asset, the entity may...
- B31 Continuing involvement in a transferred financial asset may result from...
- Transferred financial assets that are not derecognised in their entirety...
- B32 Paragraph 42D requires disclosures when part or all of the...  
Types of continuing involvement (paragraphs 42E–42H)
- B33 Paragraphs 42E–42H require qualitative and quantitative disclosures for each type...
- Maturity analysis for undiscounted cash outflows to repurchase transferred assets...
- B34 Paragraph 42E(e) requires an entity to disclose a maturity analysis...
- B35 An entity shall use its judgement to determine an appropriate...
- B36 If there is a range of possible maturities, the cash...
- Qualitative information (paragraph 42E(f))
- B37 The qualitative information required by paragraph 42E(f) includes a description...
- Gain or loss on derecognition (paragraph 42G(a))
- B38 Paragraph 42G(a) requires an entity to disclose the gain or...
- Supplementary information (paragraph 42H)
- B39 The disclosures required in paragraphs 42D–42G may not be sufficient...
- Offsetting paragraphs 13A–13H) financial liabilities
- Scope (paragraph 13A)
- B40 The disclosures in paragraphs 13B–13E are required for all recognised...
- B41 The similar agreements referred to in paragraphs 13A and B40...  
Disclosure of quantitative information for recognised financial assets and recognised...
- B42 Financial instruments disclosed in accordance with paragraph 13C may be...  
Disclosure of the gross amounts of recognised financial assets and...
- B43 The amounts required by paragraph 13C(a) relate to recognised financial...  
Disclosure of the amounts that are set off in accordance...
- B44 Paragraph 13C(b) requires that entities disclose the amounts set off...  
Disclosure of the net amounts presented in the statement of...
- B45 If an entity has instruments that meet the scope of...
- B46 The amounts required to be disclosed by paragraph 13C(c) must...
- Disclosure of the amounts subject to an enforceable master netting...
- B47 Paragraph 13C(d) requires that entities disclose amounts that are subject...
- B48 Paragraph 13C(d)(ii) refers to amounts related to financial collateral, including...
- Limits on the amounts disclosed in paragraph 13C(d) (paragraph 13D)...

- B49 When disclosing amounts in accordance with paragraph 13C(d), an entity...  
Description of the rights of set-off subject to enforceable master...
- B50 An entity shall describe the types of rights of set-off...  
Disclosure by type of financial instrument or by counterparty
- B51 The quantitative disclosures required by paragraph 13C(a)–(e) may be grouped...
- B52 Alternatively, an entity may group the quantitative disclosures required by...
- Other
- B53 The specific disclosures required by paragraphs 13C–13E are minimum requirements....

## INTERNATIONAL FINANCIAL REPORTING STANDARD 8

### Operating segments

#### CORE PRINCIPLE

- 1 An entity shall disclose information to enable users of its...

#### SCOPE

- 2 This IFRS shall apply to:  
3 If an entity that is not required to apply this...  
4 If a financial report contains both the consolidated financial statements...

#### OPERATING SEGMENTS

- 5 An operating segment is a component of an entity:  
6 Not every part of an entity is necessarily an operating...  
7 The term ‘chief operating decision maker’ identifies a function, not...  
8 For many entities, the three characteristics of operating segments described...  
9 Generally, an operating segment has a segment manager who is...  
10 The characteristics in paragraph 5 may apply to two or...

#### REPORTABLE SEGMENTS

- 11 An entity shall report separately information about each operating segment...  
Aggregation criteria  
12 Operating segments often exhibit similar long-term financial performance if they...  
Quantitative thresholds  
13 An entity shall report separately information about an operating segment...  
14 An entity may combine information about operating segments that do...  
15 If the total external revenue reported by operating segments constitutes...  
16 Information about other business activities and operating segments that are...  
17 If management judges that an operating segment identified as a...  
18 If an operating segment is identified as a reportable segment...  
19 There may be a practical limit to the number of...

#### DISCLOSURE

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- 20 An entity shall disclose information to enable users of its...
- 21 To give effect to the principle in paragraph 20, an...  
General information
- 22 An entity shall disclose the following general information:  
Information about profit or loss, assets and liabilities
- 23 An entity shall report a measure of profit or loss...
- 24 An entity shall disclose the following about each reportable segment...

#### MEASUREMENT

- 25 The amount of each segment item reported shall be the...
- 26 If the chief operating decision maker uses only one measure...
- 27 An entity shall provide an explanation of the measurements of...  
Reconciliations
- 28 An entity shall provide reconciliations of all of the following:...  
Restatement of previously reported information
- 29 If an entity changes the structure of its internal organisation...
- 30 If an entity has changed the structure of its internal...

#### ENTITY-WIDE DISCLOSURES

- 31 Paragraphs 32-34 apply to all entities subject to this IFRS,...  
Information about products and services
- 32 An entity shall report the revenues from external customers for...  
Information about geographical areas
- 33 An entity shall report the following geographical information, unless  
the...  
Information about major customers
- 34 An entity shall provide information about the extent of its...

#### TRANSITION AND EFFECTIVE DATE

- 35 An entity shall apply this IFRS in its annual financial...
- 35A Paragraph 23 was amended by Improvements to IFRSs issued in...
- 36 Segment information for prior years that is reported as comparative...
- 36A IAS 1 (as revised in 2007) amended the terminology used...
- 36B IAS 24 Related Party Disclosures (as revised in 2009) amended...
- 36C Annual Improvements to IFRSs 2010–2012 Cycle, issued in December...

#### WITHDRAWAL OF IAS 14

- 37 This IFRS supersedes IAS 14 Segment reporting.

Appendix A

Defined term

## INTERNATIONAL FINANCIAL REPORTING STANDARD 9

### Financial Instruments

#### CHAPTER 1

##### Objective

- 1.1. The objective of this Standard is to establish principles for...

#### CHAPTER 2

##### Scope

- 2.1. This Standard shall be applied by all entities to all...
- 2.2. The impairment requirements of this Standard shall be applied to...
- 2.3. The following loan commitments are within the scope of this...
- 2.4. This Standard shall be applied to those contracts to buy...
- 2.5. A contract to buy or sell a non-financial item that...
- 2.6. There are various ways in which a contract to buy...
- 2.7. A written option to buy or sell a non-financial item...

#### CHAPTER 3

##### Recognition and derecognition

- 3.1 INITIAL RECOGNITION
  - 3.1.1. An entity shall recognise a financial asset or a financial...  
Regular way purchase or sale of financial assets
  - 3.1.2. A regular way purchase or sale of financial assets shall...
- 3.2 DERECOGNITION OF FINANCIAL ASSETS
  - 3.2.1. In consolidated financial statements, paragraphs 3.2.2–3.2.9, B3.1.1, B3.1.2 and B3.2.1–B3.2.17...
  - 3.2.2. Before evaluating whether, and to what extent, derecognition is appropriate...
  - 3.2.3. An entity shall derecognise a financial asset when, and only...
  - 3.2.4. An entity transfers a financial asset if, and only if,...
  - 3.2.5. When an entity retains the contractual rights to receive the...
  - 3.2.6. When an entity transfers a financial asset (see paragraph 3.2.4),...
  - 3.2.7. The transfer of risks and rewards (see paragraph 3.2.6) is...
  - 3.2.8. Often it will be obvious whether the entity has transferred...
  - 3.2.9. Whether the entity has retained control (see paragraph 3.2.6(c)) of...  
Transfers that qualify for derecognition
  - 3.2.10. If an entity transfers a financial asset in a transfer...
  - 3.2.11. If, as a result of a transfer, a financial asset...
  - 3.2.12. On derecognition of a financial asset in its entirety, the...
  - 3.2.13. If the transferred asset is part of a larger financial...

- 3.2.14. When an entity allocates the previous carrying amount of a...  
Transfers that do not qualify for derecognition
- 3.2.15. If a transfer does not result in derecognition because the...  
Continuing involvement in transferred assets
- 3.2.16. If an entity neither transfers nor retains substantially all the...
- 3.2.17. When an entity continues to recognise an asset to the...
- 3.2.18. The entity shall continue to recognise any income arising on...
- 3.2.19. For the purpose of subsequent measurement, recognised changes in the...
- 3.2.20. If an entity's continuing involvement is in only a part...
- 3.2.21. If the transferred asset is measured at amortised cost, the...  
All transfers
- 3.2.22. If a transferred asset continues to be recognised, the asset...
- 3.2.23. If a transferor provides non-cash collateral (such as debt or...

### 3.3 DERECOGNITION OF FINANCIAL LIABILITIES

- 3.3.1. An entity shall remove a financial liability (or a part...
- 3.3.2. An exchange between an existing borrower and lender of debt...
- 3.3.3. The difference between the carrying amount of a financial liability...
- 3.3.4. If an entity repurchases a part of a financial liability,...

## CHAPTER 4

### Classification

### 4.1 CLASSIFICATION OF FINANCIAL ASSETS

- 4.1.1. Unless paragraph 4.1.5 applies, an entity shall classify financial assets...
- 4.1.2. A financial asset shall be measured at amortised cost if...
- 4.1.2 A A financial asset shall be measured at fair value through...
- 4.1.3. For the purpose of applying paragraphs 4.1.2(b) and 4.1.2 A(b):...
- 4.1.4. A financial asset shall be measured at fair value through...  
Option to designate a financial asset at fair value through...
- 4.1.5. Despite paragraphs 4.1.1–4.1.4, an entity may, at initial recognition, irrevocably...

### 4.2 CLASSIFICATION OF FINANCIAL LIABILITIES

- 4.2.1. An entity shall classify all financial liabilities as subsequently measured...  
Option to designate a financial liability at fair value through...
- 4.2.2. An entity may, at initial recognition, irrevocably designate a financial...

### 4.3 EMBEDDED DERIVATIVES

- 4.3.1. An embedded derivative is a component of a hybrid contract...  
Hybrid contracts with financial asset hosts
- 4.3.2. If a hybrid contract contains a host that is an...  
Other hybrid contracts
- 4.3.3. If a hybrid contract contains a host that is not...
- 4.3.4. If an embedded derivative is separated, the host contract shall...
- 4.3.5. Despite paragraphs 4.3.3 and 4.3.4, if a contract contains one...
- 4.3.6. If an entity is required by this Standard to separate...
- 4.3.7. If an entity is unable to measure reliably the fair...

### 4.4 RECLASSIFICATION

- 4.4.1. When, and only when, an entity changes its business model...



- 4.4.2. An entity shall not reclassify any financial liability.
- 4.4.3. The following changes in circumstances are not reclassifications for the...

## CHAPTER 5

### Measurement

- 5.1 INITIAL MEASUREMENT
  - 5.1.1. Except for trade receivables within the scope of paragraph 5.1.3,...
  - 5.1.1 A However, if the fair value of the financial asset or...
  - 5.1.2. When an entity uses settlement date accounting for an asset...
  - 5.1.3. Despite the requirement in paragraph 5.1.1, at initial recognition, an...
- 5.2 SUBSEQUENT MEASUREMENT OF FINANCIAL ASSETS
  - 5.2.1. After initial recognition, an entity shall measure a financial asset...
  - 5.2.2. An entity shall apply the impairment requirements in Section 5.5...
  - 5.2.3. An entity shall apply the hedge accounting requirements in paragraphs...
- 5.3 SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES
  - 5.3.1. After initial recognition, an entity shall measure a financial liability...
  - 5.3.2. An entity shall apply the hedge accounting requirements in paragraphs...
- 5.4 AMORTISED COST MEASUREMENT
  - Financial assets
    - Effective interest method
      - 5.4.1. Interest revenue shall be calculated by using the effective interest...
      - 5.4.2. An entity that, in a reporting period, calculates interest revenue...
    - Modification of contractual cash flows
      - 5.4.3. When the contractual cash flows of a financial asset are...
    - Write-off
      - 5.4.4. An entity shall directly reduce the gross carrying amount of...
- 5.5 IMPAIRMENT
  - Recognition of expected credit losses
    - General approach
      - 5.5.1. An entity shall recognise a loss allowance for expected credit...
      - 5.5.2. An entity shall apply the impairment requirements for the recognition...
      - 5.5.3. Subject to paragraphs 5.5.13–5.5.16, at each reporting date, an entity...
      - 5.5.4. The objective of the impairment requirements is to recognise lifetime...
      - 5.5.5. Subject to paragraphs 5.5.13–5.5.16, if, at the reporting date, the...
      - 5.5.6. For loan commitments and financial guarantee contracts, the date that...
      - 5.5.7. If an entity has measured the loss allowance for a...
      - 5.5.8. An entity shall recognise in profit or loss, as an...
    - Determining significant increases in credit risk
      - 5.5.9. At each reporting date, an entity shall assess whether the...
      - 5.5.10. An entity may assume that the credit risk on a...

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5.5.11. If reasonable and supportable forward-looking information is available without undue...

Modified financial assets

5.5.12. If the contractual cash flows on a financial asset have...

Purchased or originated credit-impaired financial assets

5.5.13. Despite paragraphs 5.5.3 and 5.5.5, at the reporting date, an...

5.5.14. At each reporting date, an entity shall recognise in profit...

Simplified approach for trade receivables, contract assets and lease receivables...

5.5.15. Despite paragraphs 5.5.3 and 5.5.5, an entity shall always measure...

5.5.16. An entity may select its accounting policy for trade receivables,...

Measurement of expected credit losses

5.5.17. An entity shall measure expected credit losses of a financial...

5.5.18. When measuring expected credit losses, an entity need not necessarily...

5.5.19. The maximum period to consider when measuring expected credit losses...

5.5.20. However, some financial instruments include both a loan and an...

## 5.6 RECLASSIFICATION OF FINANCIAL ASSETS

5.6.1. If an entity reclassifies financial assets in accordance with paragraph...

5.6.2. If an entity reclassifies a financial asset out of the...

5.6.3. If an entity reclassifies a financial asset out of the...

5.6.4. If an entity reclassifies a financial asset out of the...

5.6.5. If an entity reclassifies a financial asset out of the...

5.6.6. If an entity reclassifies a financial asset out of the...

5.6.7. If an entity reclassifies a financial asset out of the...

## 5.7 GAINS AND LOSSES

5.7.1. A gain or loss on a financial asset or financial...

5.7.1 A Dividends are recognised in profit or loss only when:

5.7.2. A gain or loss on a financial asset that is...

5.7.3. A gain or loss on financial assets or financial liabilities...

5.7.4. If an entity recognises financial assets using settlement date accounting...

Investments in equity instruments

5.7.5. At initial recognition, an entity may make an irrevocable election...

5.7.6. If an entity makes the election in paragraph 5.7.5, it...

Liabilities designated as at fair value through profit or loss...

5.7.7. An entity shall present a gain or loss on a...

5.7.8. If the requirements in paragraph 5.7.7 would create or enlarge...

5.7.9. Despite the requirements in paragraphs 5.7.7 and 5.7.8, an entity...

Assets measured at fair value through other comprehensive income

5.7.10. A gain or loss on a financial asset measured at...

5.7.11. As described in paragraph 5.7.10, if a financial asset is...

## CHAPTER 6

### Hedge accounting

## 6.1 OBJECTIVE AND SCOPE OF HEDGE ACCOUNTING

6.1.1. The objective of hedge accounting is to represent, in the...

6.1.2. An entity may choose to designate a hedging relationship between...

6.1.3. For a fair value hedge of the interest rate exposure...

## 6.2 HEDGING INSTRUMENTS

### Qualifying instruments

- 6.2.1. A derivative measured at fair value through profit or loss...
  - 6.2.2. A non-derivative financial asset or a non-derivative financial liability measured...
  - 6.2.3. For hedge accounting purposes, only contracts with a party external...
- ### Designation of hedging instruments
- 6.2.4. A qualifying instrument must be designated in its entirety as...
  - 6.2.5. An entity may view in combination, and jointly designate as...
  - 6.2.6. However, a derivative instrument that combines a written option and...

## 6.3 HEDGED ITEMS

### Qualifying items

- 6.3.1. A hedged item can be a recognised asset or liability,...
  - 6.3.2. The hedged item must be reliably measurable.
  - 6.3.3. If a hedged item is a forecast transaction (or a...
  - 6.3.4. An aggregated exposure that is a combination of an exposure...
  - 6.3.5. For hedge accounting purposes, only assets, liabilities, firm commitments or...
  - 6.3.6. However, as an exception to paragraph 6.3.5, the foreign currency...
- ### Designation of hedged items
- 6.3.7. An entity may designate an item in its entirety or...

## 6.4 QUALIFYING CRITERIA FOR HEDGE ACCOUNTING

- 6.4.1. A hedging relationship qualifies for hedge accounting only if all...

## 6.5 ACCOUNTING FOR QUALIFYING HEDGING RELATIONSHIPS

- 6.5.1. An entity applies hedge accounting to hedging relationships that meet...
- 6.5.2. There are three types of hedging relationships:
- 6.5.3. If the hedged item is an equity instrument for which...
- 6.5.4. A hedge of the foreign currency risk of a firm...
- 6.5.5. If a hedging relationship ceases to meet the hedge effectiveness...
- 6.5.6. An entity shall discontinue hedge accounting prospectively only when the...
- 6.5.7. An entity shall apply:
  - Fair value hedges
    - 6.5.8. As long as a fair value hedge meets the qualifying...
    - 6.5.9. When a hedged item in a fair value hedge is...
    - 6.5.10. Any adjustment arising from paragraph 6.5.8(b) shall be amortised to...
  - Cash flow hedges
    - 6.5.11. As long as a cash flow hedge meets the qualifying...
    - 6.5.12. When an entity discontinues hedge accounting for a cash flow...
  - Hedges of a net investment in a foreign operation
    - 6.5.13. Hedges of a net investment in a foreign operation, including...
    - 6.5.14. The cumulative gain or loss on the hedging instrument relating...
- Accounting for the time value of options
  - 6.5.15. When an entity separates the intrinsic value and time value...
- Accounting for the forward element of forward contracts and foreign...
  - 6.5.16. When an entity separates the forward element and the spot...

## 6.6 HEDGES OF A GROUP OF ITEMS

### Eligibility of a group of items as the hedged item...

- 6.6.1. A group of items (including a group of items that...
  - Designation of a component of a nominal amount

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- 6.6.2. A component that is a proportion of an eligible group...
- 6.6.3. A layer component of an overall group of items (for...  
Presentation
- 6.6.4. For a hedge of a group of items with offsetting...
- 6.6.5. For assets and liabilities that are hedged together as a...  
Nil net positions
- 6.6.6. When the hedged item is a group that is a...
  
- 6.7 OPTION TO DESIGNATE A CREDIT EXPOSURE AS MEASURED AT FAIR...  
Eligibility of credit exposures for designation at fair value through...
  - 6.7.1. If an entity uses a credit derivative that is measured...  
Accounting for credit exposures designated at fair value through profit...
  - 6.7.2. If a financial instrument is designated in accordance with paragraph...
  - 6.7.3. An entity shall discontinue measuring the financial instrument that gave...
  - 6.7.4. When an entity discontinues measuring the financial instrument that gives...
  
- 6.8 TEMPORARY EXCEPTIONS FROM APPLYING SPECIFIC HEDGE ACCOUNTING REQUIREMENTS
  - 6.8.1. An entity shall apply paragraphs 6.8.4–6.8.12 and paragraphs 7.1.8 and...
  - 6.8.2. For the purpose of applying paragraphs 6.8.4–6.8.12, the term ‘...’
  - 6.8.3. Paragraphs 6.8.4–6.8.12 provide exceptions only to the requirements specified in...  
Highly probable requirement for cash flow hedges
    - 6.8.4. For the purpose of determining whether a forecast transaction (or...  
Reclassifying the amount accumulated in the cash flow hedge reserve...
    - 6.8.5. For the purpose of applying the requirement in paragraph 6.5.12...  
Assessing the economic relationship between the hedged item and the...
    - 6.8.6. For the purpose of applying the requirements in paragraphs 6.4.1(c) (i)...
  - Designating a component of an item as a hedged item...
    - 6.8.7. Unless paragraph 6.8.8 applies, for a hedge of a non-contractually...
    - 6.8.8. When an entity, consistent with its hedge documentation, frequently resets...  
End of application
    - 6.8.9. An entity shall prospectively cease applying paragraph 6.8.4 to a...
    - 6.8.10. An entity shall prospectively cease applying paragraph 6.8.5 at the...
    - 6.8.11. An entity shall prospectively cease applying paragraph 6.8.6:
    - 6.8.12. When designating a group of items as the hedged item,...

## CHAPTER 7

### Effective date and transition

- 7.1 EFFECTIVE DATE
  - 7.1.1. An entity shall apply this Standard for annual periods beginning...
  - 7.1.2. Despite the requirements in paragraph 7.1.1, for annual periods beginning...
  - 7.1.3. Annual Improvements to IFRSs 2010–2012 Cycle, issued in December...
  - 7.1.4. IFRS 15, issued in May 2014, amended paragraphs 3.1.1, 4.2.1,...
  - 7.1.5. IFRS 16, issued in January 2016, amended paragraphs 2.1, 5.5.15,...
  - 7.1.7. Prepayment Features with Negative Compensation (Amendments to IFRS 9), issued...

7.1.8. Interest Rate Benchmark Reform , which amended IFRS 9, IAS...

## 7.2 TRANSITION

7.2.1. An entity shall apply this Standard retrospectively, in accordance with...

7.2.2. For the purposes of the transition provisions in paragraphs 7.2.1,...

Transition for classification and measurement (Chapters 4 and 5)

7.2.3. At the date of initial application, an entity shall assess...

7.2.4. If, at the date of initial application, it is impracticable...

7.2.5. If, at the date of initial application, it is impracticable...

7.2.6. If an entity measures a hybrid contract at fair value...

7.2.7. If an entity has applied paragraph 7.2.6 then at the...

7.2.8. At the date of initial application an entity may designate:...

7.2.9. At the date of initial application an entity:

7.2.10. At the date of initial application, an entity:

7.2.11. If it is impracticable (as defined in IAS 8) for...

7.2.12. If an entity previously accounted at cost (in accordance with...

7.2.13. If an entity previously accounted for a derivative liability that...

7.2.14. At the date of initial application, an entity shall determine...

7.2.15. Despite the requirement in paragraph 7.2.1, an entity that adopts...

7.2.16. If an entity prepares interim financial reports in accordance with...

Impairment (Section 5.5)

7.2.17. An entity shall apply the impairment requirements in Section 5.5...

7.2.18. At the date of initial application, an entity shall use...

7.2.19. When determining whether there has been a significant increase in...

7.2.20. If, at the date of initial application, determining whether there...

Transition for hedge accounting (Chapter 6)

7.2.21. When an entity first applies this Standard, it may choose...

7.2.22. Except as provided in paragraph 7.2.26, an entity shall apply...

7.2.23. To apply hedge accounting from the date of initial application...

7.2.24. Hedging relationships that qualified for hedge accounting in accordance with...

7.2.25. On initial application of the hedge accounting requirements of this...

7.2.26. As an exception to prospective application of the hedge accounting...

Entities that have applied IFRS 9 (2009), IFRS 9 (2010)...

7.2.27. An entity shall apply the transition requirements in paragraphs 7.2.1–7.2.26...

7.2.28. An entity that applied IFRS 9 (2009), IFRS 9 (2010)...

Transition for Prepayment Features with Negative Compensation

7.2.29. An entity shall apply Prepayment Features with Negative Compensation (Amendments...

7.2.30. An entity that first applies these amendments at the same...

7.2.31. An entity that first applies these amendments after it first...

7.2.32. With regard to designating a financial asset or financial liability...

7.2.33. An entity is not required to restate prior periods to...

7.2.34. In the reporting period that includes the date of initial...

## 7.3 WITHDRAWAL OF IFRIC 9, IFRS 9 (2009), IFRS 9 (2010)...

7.3.1. This Standard supersedes IFRIC 9 Reassessment of Embedded Derivatives ....

7.3.2. This Standard supersedes IFRS 9 (2009), IFRS 9 (2010) and...

## Appendix A

Defined terms

## Appendix B

Application guidance

### SCOPE (CHAPTER 2)

- B2.1 Some contracts require a payment based on climatic, geological or...
- B2.2 This Standard does not change the requirements relating to employee...
- B2.3 Sometimes, an entity makes what it views as a ‘...
- B2.4 This Standard applies to the financial assets and financial liabilities...
- B2.5 Financial guarantee contracts may have various legal forms, such as...
- B2.6 Assertions that an issuer regards contracts as insurance contracts are...

### RECOGNITION AND DERECOGNITION (CHAPTER 3)

#### Initial recognition (Section 3.1)

- B3.1.1 As a consequence of the principle in paragraph 3.1.1, an...
- B3.1.2 The following are examples of applying the principle in paragraph...
  - Regular way purchase or sale of financial assets
- B3.1.3 A regular way purchase or sale of financial assets is...
- B3.1.4 A contract that requires or permits net settlement of the...
- B3.1.5 The trade date is the date that an entity commits...
- B3.1.6 The settlement date is the date that an asset is...

#### Derecognition of financial assets (Section 3.2)

- B3.2.1 The following flow chart illustrates the evaluation of whether and...
  - Arrangements under which an entity retains the contractual rights to...
- B3.2.2 The situation described in paragraph 3.2.4(b) (when an entity retains...
- B3.2.3 In applying paragraph 3.2.5, the entity could be, for example,...
- Evaluation of the transfer of risks and rewards of ownership...
- B3.2.4 Examples of when an entity has transferred substantially all the...
- B3.2.5 Examples of when an entity has retained substantially all the...
- B3.2.6 If an entity determines that as a result of the...
- Evaluation of the transfer of control
- B3.2.7 An entity has not retained control of a transferred asset...
- B3.2.8 The transferee has the practical ability to sell the transferred...
- B3.2.9 That the transferee is unlikely to sell the transferred asset...
- Transfers that qualify for derecognition
- B3.2.10 An entity may retain the right to a part of...
- B3.2.11 When measuring the fair values of the part that continues...

Transfers that do not qualify for derecognition

B3.2.12 The following is an application of the principle outlined in...

Continuing involvement in transferred assets

B3.2.13 The following are examples of how an entity measures a...

All assets

(a) If a guarantee provided by an entity to pay for...

Assets measured at amortised cost

(b) If a put option obligation written by an entity or...

Assets measured at fair value

(c) If a call option right retained by an entity prevents...

(d) If a put option written by an entity prevents a...

(e) If a collar, in the form of a purchased call...

All transfers

B3.2.14 To the extent that a transfer of a financial asset...

B3.2.15 To the extent that a transfer of a financial asset...

Examples

B3.2.16 The following examples illustrate the application of the derecognition principles...

B3.2.17 This paragraph illustrates the application of the continuing involvement approach...

Derecognition of financial liabilities (Section 3.3)

B3.3.1 A financial liability (or part of it) is extinguished when...

B3.3.2 If an issuer of a debt instrument repurchases that instrument,...

B3.3.3 Payment to a third party, including a trust (sometimes called...

B3.3.4 If a debtor pays a third party to assume an...

B3.3.5 Although legal release, whether judicially or by the creditor, results...

B3.3.6 For the purpose of paragraph 3.3.2, the terms are substantially...

B3.3.7 In some cases, a creditor releases a debtor from its...

CLASSIFICATION (CHAPTER 4)

Classification of financial assets (Section 4.1)

The entity's business model for managing financial assets

B4.1.1 Paragraph 4.1.1(a) requires an entity to classify financial assets on...

B4.1.2 An entity's business model is determined at a level that...

B4.1.2A An entity's business model refers to how an entity manages...

B4.1.2B An entity's business model for managing financial assets is a...

A business model whose objective is to hold assets in...

B4.1.2C Financial assets that are held within a business model whose...

B4.1.3 Although the objective of an entity's business model may be...

B4.1.3A The business model may be to hold assets to collect...

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B4.1.3B Sales that occur for other reasons, such as sales made...

B4.1.4 The following are examples of when the objective of an...

A business model whose objective is achieved by both collecting...

B4.1.4A An entity may hold financial assets in a business model...

B4.1.4B Compared to a business model whose objective is to hold...

B4.1.4C The following are examples of when the objective of the...

Other business models

B4.1.5 Financial assets are measured at fair value through profit or...

B4.1.6 A portfolio of financial assets that is managed and whose...

Contractual cash flows that are solely payments of principal and...

B4.1.7 Paragraph 4.1.1(b) requires an entity to classify a financial on...

B4.1.7A Contractual cash flows that are solely payments of principal and...

B4.1.7B In accordance with paragraph 4.1.3(a), principal is the fair value...

B4.1.8 An entity shall assess whether contractual cash flows are solely...

B4.1.9 Leverage is a contractual cash flow characteristic of some financial...

Consideration for the time value of money

B4.1.9A Time value of money is the element of interest that...

B4.1.9B However, in some cases, the time value of money element...

B4.1.9C When assessing a modified time value of money element, the...

B4.1.9D When assessing a modified time value of money element, an...

B4.1.9E In some jurisdictions, the government or a regulatory authority sets...

Contractual terms that change the timing or amount of contractual...

B4.1.10 If a financial asset contains a contractual term that could...

B4.1.11 The following are examples of contractual terms that result in...

B4.1.12 Despite paragraph B4.1.10, a financial asset that would otherwise meet...

B4.1.12A For the purpose of applying paragraphs B4.1.11(b) and B4.1.12(b), irrespective...

B4.1.13 The following examples illustrate contractual cash flows that are solely...



- B4.1.14 The following examples illustrate contractual cash flows that are not...
- B4.1.15 In some cases a financial asset may have contractual cash...
- B4.1.16 This may be the case if the financial asset represents...
- B4.1.17 However, the fact that a financial asset is non-recourse does...
- B4.1.18 A contractual cash flow characteristic does not affect the classification...
- B4.1.19 In almost every lending transaction the creditor's instrument is ranked...
- Contractually linked instruments
- B4.1.20 In some types of transactions, an issuer may prioritise payments...
- B4.1.21 In such transactions, a tranche has cash flow characteristics that...
- B4.1.22 An entity must look through until it can identify the...
- B4.1.23 The underlying pool must contain one or more instruments that...
- B4.1.24 The underlying pool of instruments may also include instruments that...
- B4.1.25 If any instrument in the pool does not meet the...
- B4.1.26 If the holder cannot assess the conditions in paragraph B4.1.21...
- Option to designate a financial asset or financial liability as...
- B4.1.27 Subject to the conditions in paragraphs 4.1.5 and 4.2.2, this...
- B4.1.28 The decision of an entity to designate a financial asset...
- Designation eliminates or significantly reduces an accounting mismatch
- B4.1.29 Measurement of a financial asset or financial liability and classification...
- B4.1.30 The following examples show when this condition could be met....
- B4.1.31 In cases such as those described in the preceding paragraph,...
- B4.1.32 It would not be acceptable to designate only some of... A group of financial liabilities or financial assets and financial...
- B4.1.33 An entity may manage and evaluate the performance of a...
- B4.1.34 For example, an entity may use this condition to designate...
- B4.1.35 As noted above, this condition relies on the way the...
- B4.1.36 Documentation of the entity's strategy need not be extensive but...
- Embedded derivatives (Section 4.3)
- B4.3.1 When an entity becomes a party to a hybrid contract...
- B4.3.2 If a host contract has no stated or predetermined maturity...
- B4.3.3 An embedded non-option derivative (such as an embedded forward or...

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B4.3.4 Generally, multiple embedded derivatives in a single hybrid contract are...

B4.3.5 The economic characteristics and risks of an embedded derivative are...

B4.3.6 An example of a hybrid contract is a financial instrument...

B4.3.7 In the case of a puttable instrument that can be...

B4.3.8 The economic characteristics and risks of an embedded derivative are...

Instruments containing embedded derivatives

B4.3.9 As noted in paragraph B4.3.1, when an entity becomes a...

B4.3.10 Such designation may be used whether paragraph 4.3.3 requires the...

Reassessment of embedded derivatives

B4.3.11 In accordance with paragraph 4.3.3, an entity shall assess whether...

B4.3.12 Paragraph B4.3.11 does not apply to embedded derivatives in contracts...

Reclassification of financial assets (Section 4.4)

Reclassification of financial assets

B4.4.1 Paragraph 4.4.1 requires an entity to reclassify financial assets if...

B4.4.2 A change in the objective of the entity's business model...

B4.4.3 The following are not changes in business model:

## MEASUREMENT (CHAPTER 5)

Initial measurement (Section 5.1)

B5.1.1 The fair value of a financial instrument at initial recognition...

B5.1.2 If an entity originates a loan that bears an off-market...

B5.1.2 ~~A~~The best evidence of the fair value of a financial...

Subsequent measurement (Sections 5.2 and 5.3)

B5.2.1 If a financial instrument that was previously recognised as a...

B5.2.2 The following example illustrates the accounting for transaction costs on...

B5.2.2 ~~A~~The subsequent measurement of a financial asset or financial liability...

Investments in equity instruments and contracts on those investments

B5.2.3 All investments in equity instruments and contracts on those instruments...

B5.2.4 Indicators that cost might not be representative of fair value...

B5.2.5 The list in paragraph B5.2.4 is not exhaustive. An entity...

B5.2.6 Cost is never the best estimate of fair value for...

Amortised cost measurement (Section 5.4)

Effective interest method

B5.4.1 In applying the effective interest method, an entity identifies fees...

B5.4.2 Fees that are an integral part of the effective interest...

B5.4.3 Fees that are not an integral part of the effective...

B5.4.4 When applying the effective interest method, an entity generally amortises...

- B5.4.5 For floating-rate financial assets and floating-rate financial liabilities, periodic re-estimation...
- B5.4.6 If an entity revises its estimates of payments or receipts...
- B5.4.7 In some cases a financial asset is considered credit-impaired at...
- Transaction costs
- B5.4.8 Transaction costs include fees and commission paid to agents (including...
- Write-off
- B5.4.9 Write-offs can relate to a financial asset in its entirety...
- Impairment (Section 5.5)
  - Collective and individual assessment basis
  - B5.5.1 In order to meet the objective of recognising lifetime expected...
  - B5.5.2 Lifetime expected credit losses are generally expected to be recognised...
  - B5.5.3 However, depending on the nature of the financial instruments and...
  - B5.5.4 In some circumstances an entity does not have reasonable and...
  - B5.5.5 For the purpose of determining significant increases in credit risk...
  - B5.5.6 Paragraph 5.5.4 requires that lifetime expected credit losses are recognised...
  - Timing of recognising lifetime expected credit losses
  - B5.5.7 The assessment of whether lifetime expected credit losses should be...
  - B5.5.8 For loan commitments, an entity considers changes in the risk...
  - B5.5.9 The significance of a change in the credit risk since...
  - B5.5.10 The risk of a default occurring on financial instruments that...
  - B5.5.11 Because of the relationship between the expected life and the...
  - B5.5.12 An entity may apply various approaches when assessing whether the...
  - B5.5.13 The methods used to determine whether credit risk has increased...
  - B5.5.14 However, for some financial instruments, or in some circumstances, it...
  - Determining whether credit risk has increased significantly since initial recognition...
  - B5.5.15 When determining whether the recognition of lifetime expected credit losses...
  - B5.5.16 Credit risk analysis is a multifactor and holistic analysis; whether...
  - B5.5.17 The following non-exhaustive list of information may be relevant in...
  - B5.5.18 In some cases, the qualitative and non-statistical quantitative information available...
    - More than 30 days past due rebuttable presumption

B5.5.19 The rebuttable presumption in paragraph 5.5.11 is not an absolute...

B5.5.20 An entity can rebut this presumption. However, it can do...

B5.5.21 An entity cannot align the timing of significant increases in...

Financial instruments that have low credit risk at the reporting...

B5.5.22 The credit risk on a financial instrument is considered low...

B5.5.23 To determine whether a financial instrument has low credit risk,...

B5.5.24 Lifetime expected credit losses are not recognised on a financial...

#### Modifications

B5.5.25 In some circumstances, the renegotiation or modification of the contractual...

B5.5.26 Accordingly the date of the modification shall be treated as...

B5.5.27 If the contractual cash flows on a financial asset have...

#### Measurement of expected credit losses

##### Expected credit losses

B5.5.28 Expected credit losses are a probability-weighted estimate of credit losses...

B5.5.29 For financial assets, a credit loss is the present value...

B5.5.30 For undrawn loan commitments, a credit loss is the present...

B5.5.31 An entity's estimate of expected credit losses on loan commitments...

B5.5.32 For a financial guarantee contract, the entity is required to...

B5.5.33 For a financial asset that is credit-impaired at the reporting...

B5.5.34 When measuring a loss allowance for a lease receivable, the...

B5.5.35 An entity may use practical expedients when measuring expected credit...

##### Definition of default

B5.5.36 Paragraph 5.5.9 requires that when determining whether the credit risk...

B5.5.37 When defining default for the purposes of determining the risk...

##### Period over which to estimate expected credit losses

B5.5.38 In accordance with paragraph 5.5.19, the maximum period over which...

B5.5.39 However, in accordance with paragraph 5.5.20, some financial instruments include...

B5.5.40 When determining the period over which the entity is expected...

##### Probability-weighted outcome

B5.5.41 The purpose of estimating expected credit losses is neither to...

- B5.5.42 Paragraph 5.5.17(a) requires the estimate of expected credit losses to...
- B5.5.43 For lifetime expected credit losses, an entity shall estimate the...  
Time value of money
- B5.5.44 Expected credit losses shall be discounted to the reporting date,...
- B5.5.45 For purchased or originated credit-impaired financial assets, expected credit losses...
- B5.5.46 Expected credit losses on lease receivables shall be discounted using...
- B5.5.47 The expected credit losses on a loan commitment shall be...
- B5.5.48 Expected credit losses on financial guarantee contracts or on loan...  
Reasonable and supportable information
- B5.5.49 For the purpose of this Standard, reasonable and supportable information...
- B5.5.50 An entity is not required to incorporate forecasts of future...
- B5.5.51 An entity need not undertake an exhaustive search for information...
- B5.5.52 Historical information is an important anchor or base from which...
- B5.5.53 When using historical credit loss experience in estimating expected credit...
- B5.5.54 Expected credit losses reflect an entity's own expectations of credit...  
Collateral
- B5.5.55 For the purposes of measuring expected credit losses, the estimate...
- Reclassification of financial assets (Section 5.6)
- B5.6.1 If an entity reclassifies financial assets in accordance with paragraph...
- B5.6.2 However, an entity is not required to separately recognise interest...
- Gains and losses (Section 5.7)
- B5.7.1 Paragraph 5.7.5 permits an entity to make an irrevocable election...
- B5.7.1 ~~U~~nless paragraph 4.1.5 applies, paragraph 4.1.2 A requires that a...
- B5.7.2 An entity applies IAS 21 to financial assets and financial...
- B5.7.2 ~~F~~or the purpose of recognising foreign exchange gains and losses...
- B5.7.3 Paragraph 5.7.5 permits an entity to make an irrevocable election...
- B5.7.4 If there is a hedging relationship between a non-derivative monetary...  
Liabilities designated as at fair value through profit or loss...
- B5.7.5 When an entity designates a financial liability as at fair...
- B5.7.6 To make that determination, an entity must assess whether it...

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B5.7.7 That determination is made at initial recognition and is not...

B5.7.8 If such a mismatch would be created or enlarged, the...

B5.7.9 Amounts presented in other comprehensive income shall not be subsequently...

B5.7.10 The following example describes a situation in which an accounting...

B5.7.11 In the example in paragraph B5.7.10, there is a contractual...

B5.7.12 For the purposes of applying the requirements in paragraphs 5.7.7...

The meaning of 'credit risk' (paragraphs 5.7.7 and...

B5.7.13 IFRS 7 defines credit risk as 'the risk that...

B5.7.14 For the purposes of applying the requirement in paragraph 5.7.7(a),...

B5.7.15 The following are examples of asset-specific performance risk:

Determining the effects of changes in credit risk

B5.7.16 For the purposes of applying the requirement in paragraph 5.7.7(a),...

B5.7.17 Changes in market conditions that give rise to market risk...

B5.7.18 If the only significant relevant changes in market conditions for...

B5.7.19 The example in paragraph B5.7.18 assumes that changes in fair...

B5.7.20 As with all fair value measurements, an entity's measurement method...

## HEDGE ACCOUNTING (CHAPTER 6)

### Hedging instruments (Section 6.2)

#### Qualifying instruments

B6.2.1 Derivatives that are embedded in hybrid contracts, but that are...

B6.2.2 An entity's own equity instruments are not financial assets or...

B6.2.3 For hedges of foreign currency risk, the foreign currency risk...

#### Written options

B6.2.4 This Standard does not restrict the circumstances in which a...

#### Designation of hedging instruments

B6.2.5 For hedges other than hedges of foreign currency risk, when...

B6.2.6 A single hedging instrument may be designated as a hedging...

### Hedged items (Section 6.3)

#### Qualifying items

B6.3.1 A firm commitment to acquire a business in a business...

B6.3.2 An equity method investment cannot be a hedged item in...

B6.3.3 Paragraph 6.3.4 permits an entity to designate as hedged items...

B6.3.4 When designating the hedged item on the basis of the...

B6.3.5 Paragraph 6.3.6 states that in consolidated financial statements the foreign...

B6.3.6 If a hedge of a forecast intragroup transaction qualifies for...

Designation of hedged items

B6.3.7 A component is a hedged item that is less than...

Risk components

B6.3.8 To be eligible for designation as a hedged item, a...

B6.3.9 When identifying what risk components qualify for designation as a...

B6.3.10 When designating risk components as hedged items, an entity considers...

B6.3.11 When designating a risk component as a hedged item, the...

B6.3.12 An entity can also designate only changes in the cash...

B6.3.13 There is a rebuttable presumption that unless inflation risk is...

B6.3.14 For example, an entity issues debt in an environment in...

B6.3.15 A contractually specified inflation risk component of the cash flows...

Components of a nominal amount

B6.3.16 There are two types of components of nominal amounts that...

B6.3.17 An example of a component that is a proportion is...

B6.3.18 A layer component may be specified from a defined, but...

B6.3.19 If a layer component is designated in a fair value...

B6.3.20 A layer component that includes a prepayment option is not...

Relationship between components and the total cash flows of an...

B6.3.21 If a component of the cash flows of a financial...

B6.3.22 For example, in the case of a financial liability whose...

B6.3.23 However, in the case of a fixed-rate financial liability whose...

B6.3.24 If a variable-rate financial liability bears interest of (for example)...

B6.3.25 A similar example of a non-financial item is a specific...

Qualifying criteria for hedge accounting (Section 6.4)

Hedge effectiveness

B6.4.1 Hedge effectiveness is the extent to which changes in the...

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- B6.4.2 When designating a hedging relationship and on an ongoing basis,...
- B6.4.3 For the avoidance of doubt, the effects of replacing the...  
Economic relationship between the hedged item and the hedging instrument...
- B6.4.4 The requirement that an economic relationship exists means that the...
- B6.4.5 If the underlyings are not the same but are economically...
- B6.4.6 The assessment of whether an economic relationship exists includes an...  
The effect of credit risk
- B6.4.7 Because the hedge accounting model is based on a general...
- B6.4.8 An example of credit risk dominating a hedging relationship is...
- Hedge ratio
- B6.4.9 In accordance with the hedge effectiveness requirements, the hedge ratio...
- B6.4.10 However, the designation of the hedging relationship using the same...
- B6.4.11 Examples of relevant considerations in assessing whether an accounting outcome...  
Frequency of assessing whether the hedge effectiveness requirements are met...
- B6.4.12 An entity shall assess at the inception of the hedging...  
Methods for assessing whether the hedge effectiveness requirements are met...
- B6.4.13 This Standard does not specify a method for assessing whether...
- B6.4.14 For example, when the critical terms (such as the nominal...
- B6.4.15 The fact that a derivative is in or out of...
- B6.4.16 Conversely, if the critical terms of the hedging instrument and...
- B6.4.17 If there are changes in circumstances that affect hedge effectiveness,...
- B6.4.18 An entity's risk management is the main source of information...
- B6.4.19 An entity's documentation of the hedging relationship includes how it...
- Accounting for qualifying hedging relationships (Section 6.5)
- B6.5.1 An example of a fair value hedge is a hedge...
- B6.5.2 The purpose of a cash flow hedge is to defer...
- B6.5.3 A hedge of a firm commitment (for example, a hedge...  
Measurement of hedge ineffectiveness
- B6.5.4 When measuring hedge ineffectiveness, an entity shall consider the time...
- B6.5.5 To calculate the change in the value of the hedged...
- B6.5.6 The change in the value of the hedged item determined...



Rebalancing the hedging relationship and changes to the hedge ratio...

B6.5.7 Rebalancing refers to the adjustments made to the designated quantities...

B6.5.8 Rebalancing is accounted for as a continuation of the hedging...

B6.5.9 Adjusting the hedge ratio allows an entity to respond to...

B6.5.10 For example, an entity hedges an exposure to Foreign Currency...

B6.5.11 Not every change in the extent of offset between the...

B6.5.12 Fluctuation around a constant hedge ratio (and hence the related...

B6.5.13 Conversely, if changes in the extent of offset indicate that...

B6.5.14 Rebalancing means that, for hedge accounting purposes, after the start...

B6.5.15 Rebalancing does not apply if the risk management objective for...

B6.5.16 If a hedging relationship is rebalanced, the adjustment to the...

B6.5.17 Adjusting the hedge ratio by increasing the volume of the...

B6.5.18 Adjusting the hedge ratio by decreasing the volume of the...

B6.5.19 Adjusting the hedge ratio by increasing the volume of the...

B6.5.20 Adjusting the hedge ratio by decreasing the volume of the...

B6.5.21 When rebalancing a hedging relationship, an entity shall update its...

Discontinuation of hedge accounting

B6.5.22 Discontinuation of hedge accounting applies prospectively from the date on...

B6.5.23 An entity shall not de-designate and thereby discontinue a hedging...

B6.5.24 For the purposes of this Standard, an entity's risk management...

B6.5.25 The discontinuation of hedge accounting can affect:

B6.5.26 A hedging relationship is discontinued in its entirety when, as...

B6.5.27 A part of a hedging relationship is discontinued (and hedge...

B6.5.28 An entity can designate a new hedging relationship that involves...

Accounting for the time value of options

B6.5.29 An option can be considered as being related to a...

B6.5.30 The characteristics of the hedged item, including how and when...

B6.5.31 The accounting for the time value of options in accordance...

B6.5.32 The accounting for the time value of options in accordance...

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B6.5.33 If the actual time value and the aligned time value...  
Accounting for the forward element of forward contracts and  
foreign...

B6.5.34 A forward contract can be considered as being related  
to...

B6.5.35 The characteristics of the hedged item, including how  
and when...

B6.5.36 The accounting for the forward element of a forward  
contract...

B6.5.37 The accounting for the forward element of forward  
contracts in...

B6.5.38 If the actual forward element and the aligned forward  
element...

B6.5.39 When an entity separates the foreign currency basis  
spread from...

Hedge of a group of items (Section 6.6)

Hedge of a net position

Eligibility for hedge accounting and designation of a  
net position...

B6.6.1 A net position is eligible for hedge accounting  
only if...

B6.6.2 For example, Entity A, whose functional  
currency is its local...

B6.6.3 If Entity A did manage foreign currency risk  
on a...

B6.6.4 When a group of items that constitute a net  
position...

Application of the hedge effectiveness requirements  
to a hedge of...

B6.6.5 When an entity determines whether the hedge  
effectiveness requirements of...

B6.6.6 Similarly, if in the example in paragraph  
B6.6.5 the entity...

Cash flow hedges that constitute a net position

B6.6.7 When an entity hedges a group of items with  
offsetting...

B6.6.8 For example, an entity has a net position that  
consists...

B6.6.9 For a cash flow hedge of a net position, the...

B6.6.10 Similarly, if in the example the entity had a  
nil...

Layers of groups of items designated as the hedged item...

B6.6.11 For the same reasons noted in paragraph B6.3.19,  
designating layer...

B6.6.12 A hedging relationship can include layers from several  
different groups...

Presentation of hedging instrument gains or losses

B6.6.13 If items are hedged together as a group in a...

B6.6.14 If the group of items does not have any offsetting...

B6.6.15 If the group of items does have offsetting risk  
positions...

B6.6.16 For some types of fair value hedges, the objective of...

EFFECTIVE DATE AND TRANSITION (CHAPTER 7)

#### Transition (Section 7.2)

##### Financial assets held for trading

B7.2.1 At the date of initial application of this Standard, an...

##### Impairment

B7.2.2 On transition, an entity should seek to approximate the credit...

B7.2.3 In order to determine the loss allowance on financial instruments...

B7.2.4 An entity with little historical information may use information from...

#### DEFINITIONS (APPENDIX A)

##### Derivatives

BA.1 Typical examples of derivatives are futures and forward, swap and...

BA.2 The definition of a derivative in this Standard includes contracts...

BA.3 One of the defining characteristics of a derivative is that...

BA.4 A regular way purchase or sale gives rise to a...

BA.5 The definition of a derivative refers to non-financial variables that...

##### Financial assets and liabilities held for trading

BA.6 Trading generally reflects active and frequent buying and selling, and...

BA.7 Financial liabilities held for trading include:

BA.8 The fact that a liability is used to fund trading...

## INTERNATIONAL FINANCIAL REPORTING STANDARD 10

### Consolidated Financial Statements

#### OBJECTIVE

1 The objective of this IFRS is to establish principles for...

##### Meeting the objective

2 To meet the objective in paragraph 1, this IFRS:

3 This IFRS does not deal with the accounting requirements for...

#### SCOPE

4 An entity that is a parent shall present consolidated financial...

4A This IFRS does not apply to post-employment benefit plans or...

4B A parent that is an investment entity shall not present...

##### Control

5 An investor, regardless of the nature of its involvement with...

6 An investor controls an investee when it is exposed, or...

7 Thus, an investor controls an investee if and only if...

8 An investor shall consider all facts and circumstances when assessing...

9 Two or more investors collectively control an investee when they...

##### Power

10 An investor has power over an investee when the investor...

11 Power arises from rights. Sometimes assessing power is straightforward, such...

12 An investor with the current ability to direct the relevant...

13 If two or more investors each have existing rights that...

- 14 An investor can have power over an investee even if...  
Returns  
15 An investor is exposed, or has rights, to variable returns...  
16 Although only one investor can control an investee, more than...  
Link between power and returns  
17 An investor controls an investee if the investor not only...  
18 Thus, an investor with decision-making rights shall determine whether  
it...

#### ACCOUNTING REQUIREMENTS

- 19 A parent shall prepare consolidated financial statements using uniform  
accounting...  
20 Consolidation of an investee shall begin from the date the...  
21 Paragraphs B86–B93 set out guidance for the preparation of consolidated...  
Non-controlling interests  
22 A parent shall present non-controlling interests in the consolidated  
statement...  
23 Changes in a parent’s ownership interest in a subsidiary that...  
24 Paragraphs B94–B96 set out guidance for the accounting for non-  
controlling...  
Loss of control  
25 If a parent loses control of a subsidiary, the parent...  
26 Paragraphs B97–B99 set out guidance for the accounting for the...

#### DETERMINING WHETHER AN ENTITY IS AN INVESTMENT ENTITY

- 27 A parent shall determine whether it is an investment entity...  
28 In assessing whether it meets the definition described in paragraph...  
29 If facts and circumstances indicate that there are changes to...  
30 A parent that either ceases to be an investment entity...

#### INVESTMENT ENTITIES: EXCEPTION TO CONSOLIDATION

- 31 Except as described in paragraph 32, an investment entity shall...  
32 Notwithstanding the requirement in paragraph 31, if an investment entity...  
33 A parent of an investment entity shall consolidate all entities...

### Appendix A

#### Defined terms

### Appendix B

#### Application guidance

- B1 The examples in this appendix portray hypothetical situations. Although  
some...

#### ASSESSING CONTROL

- B2 To determine whether it controls an investee an investor shall...  
B3 Consideration of the following factors may assist in making that...  
B4 When assessing control of an investee, an investor shall consider...  
Purpose and design of an investee

- B5 When assessing control of an investee, an investor shall consider...
- B6 When an investee's purpose and design are considered, it may...
- B7 To determine whether an investor controls an investee in more...
- B8 An investee may be designed so that voting rights are...
- Power
- B9 To have power over an investee, an investor must have...
- B10 The determination about whether an investor has power depends on...
- Relevant activities and direction of relevant activities
- B11 For many investees, a range of operating and financing activities...
- B12 Examples of decisions about relevant activities include but are not...
- B13 In some situations, activities both before and after a particular...
- Application examples
- Example 1
- Example 2
- Rights that give an investor power over an investee
- B14 Power arises from rights. To have power over an investee,...
- B15 Examples of rights that, either individually or in combination, can...
- B16 Generally, when an investee has a range of operating and...
- B17 When voting rights cannot have a significant effect on an...
- B18 In some circumstances it may be difficult to determine whether...
- B19 Sometimes there will be indications that the investor has a...
- B20 The greater an investor's exposure, or rights, to variability of...
- B21 When the factors set out in paragraph B18 and the...
- Substantive rights
- B22 An investor, in assessing whether it has power, considers only...
- B23 Determining whether rights are substantive requires judgement, taking into account...
- B24 To be substantive, rights also need to be exercisable when...
- Application examples
- Example 3
- Example 3A
- Example 3B
- Example 3C
- Example 3D
- B25 Substantive rights exercisable by other parties can prevent an investor...
- Protective rights

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- B26 In evaluating whether rights give an investor power over an...
- B27 Because protective rights are designed to protect the interests of...
- B28 Examples of protective rights include but are not limited to:...

#### Franchises

- B29 A franchise agreement for which the investee is the franchisee...
- B30 Generally, franchisors' rights do not restrict the ability of parties...
- B31 It is necessary to distinguish between having the current ability...
- B32 By entering into the franchise agreement the franchisee has made...
- B33 Control over such fundamental decisions as the legal form of...

#### Voting rights

- B34 Often an investor has the current ability, through voting or...
  - Power with a majority of the voting rights
  - B35 An investor that holds more than half of the voting...
    - Majority of the voting rights but no power
    - B36 For an investor that holds more than half of the...
    - B37 An investor does not have power over an investee, even...
      - Power without a majority of the voting rights
      - B38 An investor can have power even if it holds less...
    - Contractual arrangement with other vote holders
    - B39 A contractual arrangement between an investor and other vote holders...
      - Rights from other contractual arrangements
      - B40 Other decision-making rights, in combination with voting rights, can give...
        - The investor's voting rights
        - B41 An investor with less than a majority of the voting...
        - B42 When assessing whether an investor's voting rights are sufficient to...
        - B43 When the direction of relevant activities is determined by majority...
          - Application examples
            - Example 4
            - Example 5
          - B44 In other situations, it may be clear after considering the...
            - Application example
              - Example 6
          - B45 However, the factors listed in paragraph B42(a)–(c) alone may not...

Application examples

Example 7

Example 8

B46 If it is not clear, having considered the factors listed...

Potential voting rights

B47 When assessing control, an investor considers its potential voting rights...

B48 When considering potential voting rights, an investor shall consider the...

B49 If the investor also has voting or other decision-making rights...

B50 Substantive potential voting rights alone, or in combination with other...

Application examples

Example 9

Example 10

Power when voting or similar rights do not have a...

B51 In assessing the purpose and design of an investee (see...

B52 In addition, an investor shall consider contractual arrangements such as...

B53 For some investees, relevant activities occur only when particular circumstances...

Application examples

Example 11

Example 12

B54 An investor may have an explicit or implicit commitment to...

Exposure, or rights, to variable returns from an investee

B55 When assessing whether an investor has control of an investee,...

B56 Variable returns are returns that are not fixed and have...

B57 Examples of returns include:

Link between power and returns

Delegated power

B58 When an investor with decision-making rights (a decision maker) assesses...

B59 An investor may delegate its decision-making authority to an agent...

B60 A decision maker shall consider the overall relationship between itself,...

B61 Determining whether a decision maker is an agent requires an...

The scope of the decision-making authority

B62 The scope of a decision maker's decision-making authority is evaluated...

B63 A decision maker shall consider the purpose and design of...

Rights held by other parties

B64 Substantive rights held by other parties may affect the decision...

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B65 When a single party holds substantive removal rights and can...

B66 Substantive rights held by other parties that restrict a decision...

B67 Consideration of the rights held by other parties shall include...

#### Remuneration

B68 The greater the magnitude of, and variability associated with, the...

B69 In determining whether it is a principal or an agent...

B70 A decision maker cannot be an agent unless the conditions...

#### Exposure to variability of returns from other interests

B71 A decision maker that holds other interests in an investee...

B72 In evaluating its exposure to variability of returns from other...

#### Application examples

Example 13

Example 14

Example 14A

Example 14B

Example 14C

Example 15

Example 16

#### Relationship with other parties

B73 When assessing control, an investor shall consider the nature of...

B74 Such a relationship need not involve a contractual arrangement. A...

B75 The following are examples of such other parties that, by...

#### Control of specified assets

B76 An investor shall consider whether it treats a portion of...

B77 An investor shall treat a portion of an investee as...

B78 When the condition in paragraph B77 is satisfied, an investor...

B79 If the investor controls the deemed separate entity, the investor...

#### Continuous assessment

B80 An investor shall reassess whether it controls an investee if...

B81 If there is a change in how power over an...

B82 An event can cause an investor to gain or lose...

B83 An investor also considers changes affecting its exposure, or rights,...

B84 An investor shall consider whether its assessment that it acts...

B85 An investor's initial assessment of control or its status as...

#### DETERMINING WHETHER AN ENTITY IS AN INVESTMENT ENTITY

B85A An entity shall consider all facts and circumstances when assessing...

#### Business purpose

B85B The definition of an investment entity requires that the purpose...

B85C An investment entity may provide investment-related services (eg investment advisory...



B85D An investment entity may also participate in the following investment-related...

B85E If an investment entity has a subsidiary that is not...

Exit strategies

B85F An entity's investment plans also provide evidence of its business...

B85G Exit strategies can vary by type of investment. For investments...

B85H An investment entity may have an investment in another investment...

Earnings from investments

B85I An entity is not investing solely for capital appreciation, investment...

B85J An investment entity may have a strategy to invest in...

Fair value measurement

B85K An essential element of the definition of an investment entity...

B85L In order to meet the requirement in B85K(a), an investment...

B85M An investment entity may have some non-investment assets, such as...

Typical characteristics of an investment entity

B85N In determining whether it meets the definition of an investment...

More than one investment

B85O An investment entity typically holds several investments to diversify its...

B85P There may be times when the entity holds a single...

More than one investor

B85Q Typically, an investment entity would have several investors who pool...

B85R Alternatively, an investment entity may be formed by, or for,...

B85S There may also be times when the entity temporarily has...

Unrelated investors

B85T Typically, an investment entity has several investors that are not...

B85U However, an entity may still qualify as an investment entity...

Ownership interests

B85V An investment entity is typically, but is not required to...

B85W In addition, an entity that has significant ownership interests in...

## ACCOUNTING REQUIREMENTS

Consolidation procedures

B86 Consolidated financial statements:

Uniform accounting policies

B87 If a member of the group uses accounting policies other...

Measurement

B88 An entity includes the income and expenses of a subsidiary...

Potential voting rights

B89 When potential voting rights, or other derivatives containing potential voting...

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- B90 In some circumstances an entity has, in substance, an existing...
- B91 IFRS 9 does not apply to interests in subsidiaries that...
- Reporting date
- B92 The financial statements of the parent and its subsidiaries used...
- B93 If it is impracticable to do so, the parent shall...
- Non-controlling interests
- B94 An entity shall attribute the profit or loss and each...
- B95 If a subsidiary has outstanding cumulative preference shares that are...
- Changes in the proportion held by non-controlling interests
- B96 When the proportion of the equity held by non-controlling interests...
- Loss of control
- B97 A parent might lose control of a subsidiary in two...
- B98 If a parent loses control of a subsidiary, it shall:...
- B99 If a parent loses control of a subsidiary, the parent...
- ACCOUNTING FOR A CHANGE IN INVESTMENT ENTITY STATUS
- B100 When an entity ceases to be an investment entity, it...
- B101 When an entity becomes an investment entity, it shall cease...

## Appendix C

### Effective date and transition

#### EFFECTIVE DATE

- C1 An entity shall apply this IFRS for annual periods beginning...
- C1A Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in...
- C1B Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS...
- C1D Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10,...

#### TRANSITION

- C2 An entity shall apply this IFRS retrospectively, in accordance with...
- C2A Notwithstanding the requirements of paragraph 28 of IAS 8, when...
- C2B For the purposes of this IFRS, the date of initial...
- C3 At the date of initial application, an entity is not...
- C3A At the date of initial application, an entity shall assess...
- C3B Except for any subsidiary that is consolidated in accordance with...
- C3C Before the date that IFRS 13 Fair Value Measurement is...
- C3D If measuring an investment in a subsidiary in accordance with...
- C3E If an investment entity has disposed of, or has lost...
- C3F If an entity applies the Investment Entities amendments for a...
- C4 If, at the date of initial application, an investor concludes...
- C4A If measuring an investee's assets, liabilities and non-controlling interests in...
- C4B When an investor applies paragraphs C4–C4A and the date that...
- C4C When an investor applies paragraphs C4–C4A and the date that...
- C5 If, at the date of initial application, an investor concludes...
- C5A If measuring the interest in the investee in accordance with...
- C6 Paragraphs 23, 25, B94 and B96–B99 were amendments to IAS...

References to the ‘ immediately preceding period ’

C6A Notwithstanding the references to the annual period immediately preceding the...

C6B If an entity presents unadjusted comparative information for any earlier...

References to IFRS 9

C7 If an entity applies this IFRS but does not yet...

#### WITHDRAWAL OF OTHER IFRSs

C8 This IFRS supersedes the requirements relating to consolidated financial statements...

C9 This IFRS also supersedes SIC-12 Consolidation—Special Purpose Entities .

## INTERNATIONAL FINANCIAL REPORTING STANDARD 11

### Joint Arrangements

#### OBJECTIVE

1 The objective of this IFRS is to establish principles for...

Meeting the objective

2 To meet the objective in paragraph 1, this IFRS defines...

#### SCOPE

3 This IFRS shall be applied by all entities that are...

#### JOINT ARRANGEMENTS

4 A joint arrangement is an arrangement of which two or...

5 A joint arrangement has the following characteristics:

6 A joint arrangement is either a joint operation or a...

##### Joint control

7 Joint control is the contractually agreed sharing of control of...

8 An entity that is a party to an arrangement shall...

9 Once it has been determined that all the parties, or...

10 In a joint arrangement, no single party controls the arrangement...

11 An arrangement can be a joint arrangement even though not...

12 An entity will need to apply judgement when assessing whether...

13 If facts and circumstances change, an entity shall reassess whether...

##### Types of joint arrangement

14 An entity shall determine the type of joint arrangement in...

15 A joint operation is a joint arrangement whereby the parties...

16 A joint venture is a joint arrangement whereby the parties...

17 An entity applies judgement when assessing whether a joint arrangement...

18 Sometimes the parties are bound by a framework agreement that...

19 If facts and circumstances change, an entity shall reassess whether...

#### FINANCIAL STATEMENTS OF PARTIES TO A JOINT ARRANGEMENT

##### Joint operations

20 A joint operator shall recognise in relation to its interest...

21 A joint operator shall account for the assets, liabilities, revenues...

21A When an entity acquires an interest in a joint operation...

22 The accounting for transactions such as the sale, contribution or...

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- 23 A party that participates in, but does not have joint...  
Joint ventures  
24 A joint venturer shall recognise its interest in a joint...  
25 A party that participates in, but does not have joint...

#### SEPARATE FINANCIAL STATEMENTS

- 26 In its separate financial statements, a joint operator or joint...  
27 In its separate financial statements, a party that participates in,...

#### Appendix A

Defined terms

#### Appendix B

Application guidance

- B1 The examples in this appendix portray hypothetical situations. Although some...

#### JOINT ARRANGEMENTS

Contractual arrangement (paragraph 5)

- B2 Contractual arrangements can be evidenced in several ways.  
An enforceable...  
B3 When joint arrangements are structured through a separate vehicle (see...  
B4 The contractual arrangement sets out the terms upon which the...

Joint control (paragraphs 7–13)

- B5 In assessing whether an entity has joint control of an...  
B6 After concluding that all the parties, or a group of...  
B7 Sometimes the decision-making process that is agreed upon by the...  
B8 In other circumstances, the contractual arrangement requires a minimum proportion...  
Application examples

Example 1

Example 2

Example 3

- B9 The requirement for unanimous consent means that any party with...  
B10 A contractual arrangement might include clauses on the resolution of...  
Assessing joint control

B11 When an arrangement is outside the scope of IFRS 11,...

#### TYPES OF JOINT ARRANGEMENT (PARAGRAPHS 14–19)

- B12 Joint arrangements are established for a variety of purposes (eg...  
B13 Some arrangements do not require the activity that is the...  
B14 The classification of joint arrangements required by this IFRS depends...  
Classification of a joint arrangement

B15 As stated in paragraph B14, the classification of joint arrangements...

Structure of the joint arrangement

Joint arrangements not structured through a separate vehicle

B16 A joint arrangement that is not structured through a separate...

B17 The contractual arrangement often describes the nature of the activities...

B18 In other cases, the parties to a joint arrangement might...

Joint arrangements structured through a separate vehicle

B19 A joint arrangement in which the assets and liabilities relating...

B20 Whether a party is a joint operator or a joint...

B21 As stated in paragraph B15, when the parties have structured...

Classification of a joint arrangement: assessment of the parties' rights...

The legal form of the separate vehicle

B22 The legal form of the separate vehicle is relevant when...

B23 For example, the parties might conduct the joint arrangement through...

B24 The assessment of the rights and obligations conferred upon the...

Assessing the terms of the contractual arrangement

B25 In many cases, the rights and obligations agreed to by...

B26 In other cases, the parties use the contractual arrangement to...  
Application example

Example 4

B27 The following table compares common terms in contractual arrangements of...

B28 When the contractual arrangement specifies that the parties have rights...

Assessing other facts and circumstances

B29 When the terms of the contractual arrangement do not specify...

B30 A joint arrangement might be structured in a separate vehicle...

B31 When the activities of an arrangement are primarily designed for...

B32 The effect of an arrangement with such a design and...

Application example

Example 5

B33 The following flow chart reflects the assessment an entity follows...

Classification of a joint arrangement structured through a separate vehicle...

## FINANCIAL STATEMENTS OF PARTIES TO A JOINT ARRANGEMENT (PARAGRAPHS 21A–22)...

Accounting for acquisitions of interests in joint operations

B33A When an entity acquires an interest in a joint operation...

B33B Paragraphs 21A and B33A also apply to the formation of...

B33C A joint operator might increase its interest in a joint...

B33CA A party that participates in, but does not have joint...

B33D Paragraphs 21A and B33A–B33C do not apply on the acquisition...

Accounting for sales or contributions of assets to a joint...

B34 When an entity enters into a transaction with a joint...

B35 When such transactions provide evidence of a reduction in the...

Accounting for purchases of assets from a joint operation

B36 When an entity enters into a transaction with a joint...

B37 When such transactions provide evidence of a reduction in the...

## Appendix C

### Effective date, transition and withdrawal of other IFRSs

#### EFFECTIVE DATE

C1 An entity shall apply this IFRS for annual periods beginning...

C1A Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in...

C1AA Accounting for Acquisitions of Interests in Joint Operations (Amendments to...

C1AB Annual Improvements to IFRS Standards 2015–2017 Cycle , issued in...

#### TRANSITION

C1B Notwithstanding the requirements of paragraph 28 of IAS 8 Accounting...

Joint ventures—transition from proportionate consolidation to the equity method

C2 When changing from proportionate consolidation to the equity method, an...

C3 The opening balance of the investment determined in accordance with...

C4 If aggregating all previously proportionately consolidated assets and liabilities results...

C5 An entity shall disclose a breakdown of the assets and...

C6 After initial recognition, an entity shall account for its investment...

Joint operations—transition from the equity method to accounting for assets...

C7 When changing from the equity method to accounting for assets...

C8 An entity shall determine its interest in the assets and...

C9 Any difference arising from the investment previously accounted for using...

C10 An entity changing from the equity method to accounting for...

C11 The initial recognition exception in paragraphs 15 and 24 of...  
Transition provisions in an entity's separate financial statements

C12 An entity that, in accordance with paragraph 10 of IAS...

References to the ' immediately preceding period '

C12A Notwithstanding the references to the ' immediately preceding period '...

- C12B If an entity presents unadjusted comparative information for any earlier...
  - C13 The initial recognition exception in paragraphs 15 and 24 of...  
References to IFRS 9
  - C14 If an entity applies this IFRS but does not yet...  
Accounting for acquisitions of interests in joint operations
  - C14A Accounting for Acquisitions of Interests in Joint Operations  
(Amendments to...)
- WITHDRAWAL OF OTHER IFRSS
- C15 This IFRS supersedes the following IFRSS:

## INTERNATIONAL FINANCIAL REPORTING STANDARD 12

### Disclosure of Interests in Other Entities

#### OBJECTIVE

- 1 The objective of this IFRS is to require an entity...  
Meeting the objective
- 2 To meet the objective in paragraph 1, an entity shall...
- 3 If the disclosures required by this IFRS, together with disclosures...
- 4 An entity shall consider the level of detail necessary to...

#### SCOPE

- 5 This IFRS shall be applied by an entity that has...
- 5A Except as described in paragraph B17, the requirements in this...
- 6 This IFRS does not apply to:

#### SIGNIFICANT JUDGEMENTS AND ASSUMPTIONS

- 7 An entity shall disclose information about significant judgements and assumptions...
- 8 The significant judgements and assumptions disclosed in accordance with paragraph...
- 9 To comply with paragraph 7, an entity shall disclose, for...  
Investment entity status
- 9A When a parent determines that it is an investment entity...
- 9B When an entity becomes, or ceases to be, an investment...

#### INTERESTS IN SUBSIDIARIES

- 10 An entity shall disclose information that enables users of its...
- 11 When the financial statements of a subsidiary used in the...  
The interest that non-controlling interests have in the group's activities...
- 12 An entity shall disclose for each of its subsidiaries that...  
The nature and extent of significant restrictions
- 13 An entity shall disclose:  
Nature of the risks associated with an entity's interests in...
- 14 An entity shall disclose the terms of any contractual arrangements...
- 15 If during the reporting period a parent or any of...
- 16 If during the reporting period a parent or any of...
- 17 An entity shall disclose any current intentions to provide financial...  
Consequences of changes in a parent's ownership interest in a...
- 18 An entity shall present a schedule that shows the effects...  
Consequences of losing control of a subsidiary during the reporting...

19 An entity shall disclose the gain or loss, if any,...

#### INTERESTS IN UNCONSOLIDATED SUBSIDIARIES (INVESTMENT ENTITIES)

19A An investment entity that, in accordance with IFRS 10, is...

19B For each unconsolidated subsidiary, an investment entity shall disclose:

19C If an investment entity is the parent of another investment...

19D An investment entity shall disclose:

19E If, during the reporting period, an investment entity or any...

19F An investment entity shall disclose the terms of any contractual...

19G If during the reporting period an investment entity or any...

#### INTERESTS IN JOINT ARRANGEMENTS AND ASSOCIATES

20 An entity shall disclose information that enables users of its...

Nature, extent and financial effects of an entity's interests in...

21 An entity shall disclose:

21A An investment entity need not provide the disclosures required by...

22 An entity shall also disclose:

Risks associated with an entity's interests in joint ventures and...

23 An entity shall disclose:

#### INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

24 An entity shall disclose information that enables users of its...

25 The information required by paragraph 24(b) includes information about an...

25A An investment entity need not provide the disclosures required by...

Nature of interests

26 An entity shall disclose qualitative and quantitative information about its...

27 If an entity has sponsored an unconsolidated structured entity for...

28 An entity shall present the information in paragraph 27(b) and...

Nature of risks

29 An entity shall disclose in tabular format, unless another format...

30 If during the reporting period an entity has, without having...

31 An entity shall disclose any current intentions to provide financial...

### Appendix A

Defined terms

### Appendix B

Application guidance

B1 The examples in this appendix portray hypothetical situations. Although some...

#### AGGREGATION (PARAGRAPH 4)

B2 An entity shall decide, in the light of its circumstances,...

B3 An entity may aggregate the disclosures required by this IFRS...

B4 An entity shall present information separately for interests in:

B5 In determining whether to aggregate information, an entity shall consider...

B6 Examples of aggregation levels within the classes of entities set...



#### INTERESTS IN OTHER ENTITIES

B7 An interest in another entity refers to contractual and non-contractual...

B8 A reporting entity is typically exposed to variability of returns...

B9 Some instruments are designed to transfer risk from a reporting...

#### SUMMARISED FINANCIAL INFORMATION FOR SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (PARAGRAPHS...

B10 For each subsidiary that has non-controlling interests that are material...

B11 The summarised financial information required by paragraph B10(b) shall be...

B12 For each joint venture and associate that is material to...

B13 In addition to the summarised financial information required by paragraph...

B14 The summarised financial information presented in accordance with paragraphs B12...

B15 An entity may present the summarised financial information required by...

B16 An entity shall disclose, in aggregate, the carrying amount of...

B17 When an entity's interest in a subsidiary, a joint venture...

#### COMMITMENTS FOR JOINT VENTURES (PARAGRAPH 23(a))

B18 An entity shall disclose total commitments it has made but...

B19 Unrecognised commitments that may give rise to a future outflow...

B20 The requirements and examples in paragraphs B18 and B19 illustrate...

#### INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES (PARAGRAPHS 24–31)

##### Structured entities

B21 A structured entity is an entity that has been designed...

B22 A structured entity often has some or all of the...

B23 Examples of entities that are regarded as structured entities include,...

B24 An entity that is controlled by voting rights is not...

##### Nature of risks from interests in unconsolidated structured entities (paragraphs...

B25 In addition to the information required by paragraphs 29–31, an...

B26 Examples of additional information that, depending on the circumstances, might...

### Appendix C

#### Effective date and transition

##### EFFECTIVE DATE AND TRANSITION

C1 An entity shall apply this IFRS for annual periods beginning...

C1A Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in...

C1B Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS...

C1C Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10,...

C1D Annual Improvements to IFRS Standards 2014–2016 Cycle , issued in...

C2 An entity is encouraged to provide information required by this...

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- C2A The disclosure requirements of this IFRS need not be applied...
- C2B The disclosure requirements of paragraphs 24–31 and the  
corresponding guidance...
- REFERENCES TO IFRS 9
- C3 If an entity applies this IFRS but does not yet...

## INTERNATIONAL FINANCIAL REPORTING STANDARD 13

### Fair Value Measurement

#### OBJECTIVE

- 1 This IFRS:
- 2 Fair value is a market-based measurement, not an entity-specific  
measurement....
- 3 When a price for an identical asset or liability is...
- 4 The definition of fair value focuses on assets and liabilities...

#### SCOPE

- 5 This IFRS applies when another IFRS requires or permits fair...
- 6 The measurement and disclosure requirements of this IFRS do not...
- 7 The disclosures required by this IFRS are not required for...
- 8 The fair value measurement framework described in this IFRS applies...

#### MEASUREMENT

##### Definition of fair value

- 9 This IFRS defines fair value as the price that would...
- 10 Paragraph B2 describes the overall fair value measurement approach.
- The asset or liability
- 11 A fair value measurement is for a particular asset or...
- 12 The effect on the measurement arising from a particular characteristic...
- 13 The asset or liability measured at fair value might be...
- 14 Whether the asset or liability is a stand-alone asset or...

##### The transaction

- 15 A fair value measurement assumes that the asset or liability...
- 16 A fair value measurement assumes that the transaction to sell...
- 17 An entity need not undertake an exhaustive search of all...
- 18 If there is a principal market for the asset or...
- 19 The entity must have access to the principal (or most...
- 20 Although an entity must be able to access the market,...
- 21 Even when there is no observable market to provide pricing...

##### Market participants

- 22 An entity shall measure the fair value of an asset...
- 23 In developing those assumptions, an entity need not identify specific...

##### The price

- 24 Fair value is the price that would be received to...
- 25 The price in the principal (or most advantageous) market used...
- 26 Transaction costs do not include transport costs . If location...

##### Application to non-financial assets

##### Highest and best use for non-financial assets

- 27 A fair value measurement of a non-financial asset takes into...
- 28 The highest and best use of a non-financial asset takes...
- 29 Highest and best use is determined from the perspective of...

- 30 To protect its competitive position, or for other reasons, an...  
Valuation premise for non-financial assets
- 31 The highest and best use of a non-financial asset establishes...  
32 The fair value measurement of a non-financial asset assumes that...  
33 Paragraph B3 describes the application of the valuation premise concept...
- Application to liabilities and an entity's own equity instruments
- General principles
- 34 A fair value measurement assumes that a financial or non-financial...  
35 Even when there is no observable market to provide pricing...  
36 In all cases, an entity shall maximise the use of...  
Liabilities and equity instruments held by other parties as assets...  
37 When a quoted price for the transfer of an identical...  
38 In such cases, an entity shall measure the fair value...  
39 An entity shall adjust the quoted price of a liability...  
Liabilities and equity instruments not held by other parties as...  
40 When a quoted price for the transfer of an identical...  
41 For example, when applying a present value technique an entity...
- Non-performance risk
- 42 The fair value of a liability reflects the effect of...  
43 When measuring the fair value of a liability, an entity...  
44 The fair value of a liability reflects the effect of...  
Restriction preventing the transfer of a liability or an entity's...  
45 When measuring the fair value of a liability or an...  
46 For example, at the transaction date, both the creditor and...  
Financial liability with a demand feature
- 47 The fair value of a financial liability with a demand...
- Application to financial assets and financial liabilities with offsetting positions...
- 48 An entity that holds a group of financial assets and...  
49 An entity is permitted to use the exception in paragraph...  
50 The exception in paragraph 48 does not pertain to financial...  
51 An entity shall make an accounting policy decision in accordance...  
52 The exception in paragraph 48 applies only to financial assets,...
- Exposure to market risks
- 53 When using the exception in paragraph 48 to measure the...  
54 When using the exception in paragraph 48, an entity shall...  
55 Similarly, the duration of the entity's exposure to a particular...
- Exposure to the credit risk of a particular counterparty
- 56 When using the exception in paragraph 48 to measure the...
- Fair value at initial recognition
- 57 When an asset is acquired or a liability is assumed...  
58 In many cases the transaction price will equal the fair...  
59 When determining whether fair value at initial recognition equals the...  
60 If another IFRS requires or permits an entity to measure...
- Valuation techniques
- 61 An entity shall use valuation techniques that are appropriate in...  
62 The objective of using a valuation technique is to estimate...

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- 63 In some cases a single valuation technique will be appropriate...
- 64 If the transaction price is fair value at initial recognition...
- 65 Valuation techniques used to measure fair value shall be applied...
- 66 Revisions resulting from a change in the valuation technique or...
- Inputs to valuation techniques
- General principles
- 67 Valuation techniques used to measure fair value shall  
maximise the...
- 68 Examples of markets in which inputs might be observable for...
- 69 An entity shall select inputs that are consistent with the...
- Inputs based on bid and ask prices
- 70 If an asset or a liability measured at fair value...
- 71 This IFRS does not preclude the use of mid-market pricing...
- Fair value hierarchy
- 72 To increase consistency and comparability in fair value measurements  
and...
- 73 In some cases, the inputs used to measure the fair...
- 74 The availability of relevant inputs and their relative subjectivity  
might...
- 75 If an observable input requires an adjustment using an unobservable...
- Level 1 inputs
- 76 Level 1 inputs are quoted prices (unadjusted) in active  
markets...
- 77 A quoted price in an active market provides the most...
- 78 A Level 1 input will be available for many financial...
- 79 An entity shall not make an adjustment to a Level...
- 80 If an entity holds a position in a single asset...
- Level 2 inputs
- 81 Level 2 inputs are inputs other than quoted prices included...
- 82 If the asset or liability has a specified (contractual) term,...
- 83 Adjustments to Level 2 inputs will vary depending on factors...
- 84 An adjustment to a Level 2 input that is significant...
- 85 Paragraph B35 describes the use of Level 2 inputs for...
- Level 3 inputs
- 86 Level 3 inputs are unobservable inputs for the asset or...
- 87 Unobservable inputs shall be used to measure fair value to...
- 88 Assumptions about risk include the risk inherent in a  
particular...
- 89 An entity shall develop unobservable inputs using the best  
information...
- 90 Paragraph B36 describes the use of Level 3 inputs for...

## DISCLOSURE

- 91 An entity shall disclose information that helps users of its...
- 92 To meet the objectives in paragraph 91, an entity shall...
- 93 To meet the objectives in paragraph 91, an entity shall...
- 94 An entity shall determine appropriate classes of assets and liabilities...
- 95 An entity shall disclose and consistently follow its policy for...
- 96 If an entity makes an accounting policy decision to use...
- 97 For each class of assets and liabilities not measured at...
- 98 For a liability measured at fair value and issued with...
- 99 An entity shall present the quantitative disclosures required by this...

## Appendix A

### Defined terms

## Appendix B

### Application guidance

- B1 The judgements applied in different valuation situations may be different....  
THE FAIR VALUE MEASUREMENT APPROACH
- B2 The objective of a fair value measurement is to estimate...  
VALUATION PREMISE FOR NON-FINANCIAL ASSETS (PARAGRAPHS 31–33)
- B3 When measuring the fair value of a non-financial asset used...  
FAIR VALUE AT INITIAL RECOGNITION (PARAGRAPHS 57–60)
- B4 When determining whether fair value at initial recognition equals the...  
VALUATION TECHNIQUES (PARAGRAPHS 61–66)
- Market approach
- B5 The market approach uses prices and other relevant information generated...
- B6 For example, valuation techniques consistent with the market approach often...
- B7 Valuation techniques consistent with the market approach include matrix pricing....
- Cost approach
- B8 The cost approach reflects the amount that would be required...
- B9 From the perspective of a market participant seller, the price...
- Income approach
- B10 The income approach converts future amounts (eg cash flows or...)
- B11 Those valuation techniques include, for example, the following:  
Present value techniques
- B12 Paragraphs B13–B30 describe the use of present value techniques to...
- The components of a present value measurement
- B13 Present value (ie an application of the income approach) is...  
General principles
- B14 Present value techniques differ in how they capture the elements...
- Risk and uncertainty
- B15 A fair value measurement using present value techniques is made...
- B16 Market participants generally seek compensation (ie a risk premium) for...
- B17 Present value techniques differ in how they adjust for risk...
- Discount rate adjustment technique
- B18 The discount rate adjustment technique uses a single set of...

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- B19 The discount rate adjustment technique requires an analysis of market...
- B20 To illustrate a build-up approach, assume that Asset A is...
- B21 On the basis of the timing of the contractual payments...
- B22 When the discount rate adjustment technique is applied to fixed...  
Expected present value technique
- B23 The expected present value technique uses as a starting point...
- B24 In making an investment decision, risk-averse market participants would take...
- B25 Method 1 of the expected present value technique adjusts the...
- B26 In contrast, Method 2 of the expected present value technique...
- B27 To illustrate Methods 1 and 2, assume that an asset...
- B28 In this simple illustration, the expected cash flows (CU780) represent...
- B29 In theory, the present value (ie the fair value) of...
- B30 When using an expected present value technique to measure fair...

#### APPLYING PRESENT VALUE TECHNIQUES TO LIABILITIES AND AN ENTITY'S OWN...

- B31 When using a present value technique to measure the fair...
- B32 For example, a non-financial liability does not contain a contractual...
- B33 An entity can include a risk premium in the fair...

#### INPUTS TO VALUATION TECHNIQUES (PARAGRAPHS 67–71)

- B34 Examples of markets in which inputs might be observable for...

#### FAIR VALUE HIERARCHY (PARAGRAPHS 72–90)

##### Level 2 inputs (paragraphs 81–85)

- B35 Examples of Level 2 inputs for particular assets and liabilities...

##### Level 3 inputs (paragraphs 86–90)

- B36 Examples of Level 3 inputs for particular assets and liabilities...

#### MEASURING FAIR VALUE WHEN THE VOLUME OR LEVEL OF ACTIVITY...

- B37 The fair value of an asset or a liability might...
- B38 If an entity concludes that there has been a significant...
- B39 This IFRS does not prescribe a methodology for making significant...
- B40 If there has been a significant decrease in the volume...
- B41 Even when there has been a significant decrease in the...
- B42 Estimating the price at which market participants would be willing...  
Identifying transactions that are not orderly
- B43 The determination of whether a transaction is orderly (or is...)
- B44 An entity shall consider all the following when measuring fair...  
Using quoted prices provided by third parties
- B45 This IFRS does not preclude the use of quoted prices...

- B46 If there has been a significant decrease in the volume...
- B47 Furthermore, the nature of a quote (eg whether the quote...

## Appendix C

### Effective date and transition

- C1 An entity shall apply this IFRS for annual periods beginning...
- C2 This IFRS shall be applied prospectively as of the beginning...
- C3 The disclosure requirements of this IFRS need not be applied...
- C4 Annual Improvements Cycle 2011–2013 issued in December 2013 amended paragraph...
- C5 IFRS 9, as issued in July 2014, amended paragraph 52....
- C6 IFRS 16 Leases, issued in January 2016, amended paragraph...

## INTERNATIONAL FINANCIAL REPORTING STANDARD 15

### Revenue from Contracts with Customers

#### OBJECTIVE

- 1. The objective of this Standard is to establish the principles...  
Meeting the objective
  - 2. To meet the objective in paragraph 1, the core principle...
  - 3. An entity shall consider the terms of the contract and...
  - 4. This Standard specifies the accounting for an individual contract with...

#### SCOPE

- 5. An entity shall apply this Standard to all contracts with...
- 6. An entity shall apply this Standard to a contract (other...
- 7. A contract with a customer may be partially within the...
- 8. This Standard specifies the accounting for the incremental costs of...

#### RECOGNITION

##### Identifying the contract

- 9. An entity shall account for a contract with a customer...
- 10. A contract is an agreement between two or more parties...
- 11. Some contracts with customers may have no fixed duration and...
- 12. For the purpose of applying this Standard, a contract does...
- 13. If a contract with a customer meets the criteria in...
- 14. If a contract with a customer does not meet the...
- 15. When a contract with a customer does not meet the...
- 16. An entity shall recognise the consideration received from a customer...

##### Combination of contracts

- 17. An entity shall combine two or more contracts entered into...

##### Contract modifications

- 18. A contract modification is a change in the scope or...
- 19. A contract modification may exist even though the parties to...
- 20. An entity shall account for a contract modification as a...
- 21. If a contract modification is not accounted for as a...

##### Identifying performance obligations

- 22. At contract inception, an entity shall assess the goods or...
- 23. A series of distinct goods or services has the same...

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#### Promises in contracts with customers

24. A contract with a customer generally explicitly states the goods...

25. Performance obligations do not include activities that an entity must...

#### Distinct goods or services

26. Depending on the contract, promised goods or services may include,...

27. A good or service that is promised to a customer...

28. A customer can benefit from a good or service in...

29. In assessing whether an entity's promises to transfer goods or...

30. If a promised good or service is not distinct, an...

#### Satisfaction of performance obligations

31. An entity shall recognise revenue when (or as) the entity...

32. For each performance obligation identified in accordance with paragraphs 22–30,...

33. Goods and services are assets, even if only momentarily, when...

34. When evaluating whether a customer obtains control of an asset,...

#### Performance obligations satisfied over time

35. An entity transfers control of a good or service over...

36. An asset created by an entity's performance does not have...

37. An entity shall consider the terms of the contract, as...

#### Performance obligations satisfied at a point in time

38. If a performance obligation is not satisfied over time in...

#### Measuring progress towards complete satisfaction of a performance obligation

39. For each performance obligation satisfied over time in accordance with...

40. An entity shall apply a single method of measuring progress...

#### Methods for measuring progress

41. Appropriate methods of measuring progress include output methods and input...

42. When applying a method for measuring progress, an entity shall...

43. As circumstances change over time, an entity shall update its...

#### Reasonable measures of progress

44. An entity shall recognise revenue for a performance obligation satisfied...

45. In some circumstances (for example, in the early stages of...

## MEASUREMENT

46. When (or as) a performance obligation is satisfied, an entity...

#### Determining the transaction price

47. An entity shall consider the terms of the contract and...

48. The nature, timing and amount of consideration promised by a...

49. For the purpose of determining the transaction price, an entity...

#### Variable consideration

50. If the consideration promised in a contract includes a variable...

51. An amount of consideration can vary because of discounts, rebates,...

52. The variability relating to the consideration promised by a customer...



53. An entity shall estimate an amount of variable consideration by...
54. An entity shall apply one method consistently throughout the contract...
- Refund liabilities
55. An entity shall recognise a refund liability if the entity...
- Constraining estimates of variable consideration
56. An entity shall include in the transaction price some or...
57. In assessing whether it is highly probable that a significant...
58. An entity shall apply paragraph B63 to account for consideration...
- Reassessment of variable consideration
59. At the end of each reporting period, an entity shall...
- The existence of a significant financing component in the contract...
60. In determining the transaction price, an entity shall adjust the...
61. The objective when adjusting the promised amount of consideration for...
62. Notwithstanding the assessment in paragraph 61, a contract with a...
63. As a practical expedient, an entity need not adjust the...
64. To meet the objective in paragraph 61 when adjusting the...
65. An entity shall present the effects of financing (interest revenue...
- Non-cash consideration
66. To determine the transaction price for contracts in which a...
67. If an entity cannot reasonably estimate the fair value of...
68. The fair value of the non-cash consideration may vary because...
69. If a customer contributes goods or services (for example, materials,...
- Consideration payable to a customer
70. Consideration payable to a customer includes cash amounts that an...
71. If consideration payable to a customer is a payment for...
72. Accordingly, if consideration payable to a customer is accounted for...
- Allocating the transaction price to performance obligations
73. The objective when allocating the transaction price is for an...
74. To meet the allocation objective, an entity shall allocate the...
75. Paragraphs 76–86 do not apply if a contract has only...
- Allocation based on stand-alone selling prices
76. To allocate the transaction price to each performance obligation on...
77. The stand-alone selling price is the price at which an...
78. If a stand-alone selling price is not directly observable, an...
79. Suitable methods for estimating the stand-alone selling price of a...
80. A combination of methods may need to be used to...
- Allocation of a discount
81. A customer receives a discount for purchasing a bundle of...

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- 82. An entity shall allocate a discount entirely to one or...
- 83. If a discount is allocated entirely to one or more...  
Allocation of variable consideration
- 84. Variable consideration that is promised in a contract may be...
- 85. An entity shall allocate a variable amount (and subsequent changes...
- 86. The allocation requirements in paragraphs 73–83 shall be applied to...

#### Changes in the transaction price

- 87. After contract inception, the transaction price can change for various...
- 88. An entity shall allocate to the performance obligations in the...
- 89. An entity shall allocate a change in the transaction price...
- 90. An entity shall account for a change in the transaction...

### CONTRACT COSTS

#### Incremental costs of obtaining a contract

- 91. An entity shall recognise as an asset the incremental costs...
- 92. The incremental costs of obtaining a contract are those costs...
- 93. Costs to obtain a contract that would have been incurred...
- 94. As a practical expedient, an entity may recognise the incremental...

#### Costs to fulfil a contract

- 95. If the costs incurred in fulfilling a contract with a...
- 96. For costs incurred in fulfilling a contract with a customer...
- 97. Costs that relate directly to a contract (or a specific...
- 98. An entity shall recognise the following costs as expenses when...

#### Amortisation and impairment

- 99. An asset recognised in accordance with paragraph 91 or 95...
- 100. An entity shall update the amortisation to reflect a significant...
- 101. An entity shall recognise an impairment loss in profit or...
- 102. For the purposes of applying paragraph 101 to determine the...
- 103. Before an entity recognises an impairment loss for an asset...
- 104. An entity shall recognise in profit or loss a reversal...

### PRESENTATION

- 105. When either party to a contract has performed, an entity...
- 106. If a customer pays consideration, or an entity has a...
- 107. If an entity performs by transferring goods or services to...
- 108. A receivable is an entity's right to consideration that is...
- 109. This Standard uses the terms ' contract asset ' and...

### DISCLOSURE

- 110. The objective of the disclosure requirements is for an entity...
- 111. An entity shall consider the level of detail necessary to...
- 112. An entity need not disclose information in accordance with this...  
Contracts with customers
- 113. An entity shall disclose all of the following amounts for...  
Disaggregation of revenue
- 114. An entity shall disaggregate revenue recognised from contracts with customers...
- 115. In addition, an entity shall disclose sufficient information to enable...
- Contract balances
- 116. An entity shall disclose all of the following:

117. An entity shall explain how the timing of satisfaction of...
118. An entity shall provide an explanation of the significant changes...
- Performance obligations
119. An entity shall disclose information about its performance obligations in...
- Transaction price allocated to the remaining performance obligations
120. An entity shall disclose the following information about its remaining...
121. As a practical expedient, an entity need not disclose the...
122. An entity shall explain qualitatively whether it is applying the...
- Significant judgements in the application of this Standard
123. An entity shall disclose the judgements, and changes in the...  
Determining the timing of satisfaction of performance obligations
124. For performance obligations that an entity satisfies over time, an...
125. For performance obligations satisfied at a point in time, an...  
Determining the transaction price and the amounts allocated to performance...
126. An entity shall disclose information about the methods, inputs and...
- Assets recognised from the costs to obtain or fulfil a...
127. An entity shall describe both of the following:
128. An entity shall disclose all of the following:
- Practical expedients
129. If an entity elects to use the practical expedient in...

## Appendix A

### Defined terms

## Appendix B

### Application Guidance

- B1 This application guidance is organised into the following categories:  
Performance obligations satisfied over time
- B2 In accordance with paragraph 35, a performance obligation is satisfied...  
Simultaneous receipt and consumption of the benefits of the entity's...
- B3 For some types of performance obligations, the assessment of whether...
- B4 For other types of performance obligations, an entity may not...  
Customer controls the asset as it is created or enhanced...
- B5 In determining whether a customer controls an asset as it...  
Entity's performance does not create an asset with an alternative...
- B6 In assessing whether an asset has an alternative use to...
- B7 A contractual restriction on an entity's ability to direct an...
- B8 A practical limitation on an entity's ability to direct an...

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- Right to payment for performance completed to date (paragraph 35(c))...
- B9 In accordance with paragraph 37, an entity has a right...
- B10 An entity's right to payment for performance completed to date...
- B11 In some contracts, a customer may have a right to...
- B12 In assessing the existence and enforceability of a right to...
- B13 The payment schedule specified in a contract does not necessarily...
- Methods for measuring progress towards complete satisfaction of a performance...
- B14 Methods that can be used to measure an entity's progress...
- Output methods
- B15 Output methods recognise revenue on the basis of direct measurements...
- B16 As a practical expedient, if an entity has a right...
- B17 The disadvantages of output methods are that the outputs used...
- Input methods
- B18 Input methods recognise revenue on the basis of the entity's...
- B19 A shortcoming of input methods is that there may not...
- Sale with a right of return
- B20 In some contracts, an entity transfers control of a product...
- B21 To account for the transfer of products with a right...
- B22 An entity's promise to stand ready to accept a returned...
- B23 An entity shall apply the requirements in paragraphs 47–72 (including...
- B24 An entity shall update the measurement of the refund liability...
- B25 An asset recognised for an entity's right to recover products...
- B26 Exchanges by customers of one product for another of the...
- B27 Contracts in which a customer may return a defective product...
- Warranties
- B28 It is common for an entity to provide (in accordance...
- B29 If a customer has the option to purchase a warranty...
- B30 If a customer does not have the option to purchase...
- B31 In assessing whether a warranty provides a customer with a...
- B32 If a warranty, or a part of a warranty, provides...
- B33 A law that requires an entity to pay compensation if...
- Principal versus agent considerations
- B34 When another party is involved in providing goods or services...
- B34A To determine the nature of its promise (as described in...
- B35 An entity is a principal if it controls the specified...
- B35A When another party is involved in providing goods or services...
- B35B When (or as) an entity that is a principal satisfies...
- B36 An entity is an agent if the entity's performance obligation...
- B37 Indicators that an entity controls the specified good or service...
- B37A The indicators in paragraph B37 may be more or less...
- B38 If another entity assumes the entity's performance obligations and contractual...
- Customer options for additional goods or services
- B39 Customer options to acquire additional goods or services for free...
- B40 If, in a contract, an entity grants a customer the...
- B41 If a customer has the option to acquire an additional...

- B42 Paragraph 74 requires an entity to allocate the transaction price...
- B43 If a customer has a material right to acquire future...
- Customers' unexercised rights
- B44 In accordance with paragraph 106, upon receipt of a prepayment...
- B45 A customer's non-refundable prepayment to an entity gives the customer...
- B46 If an entity expects to be entitled to a breakage...
- B47 An entity shall recognise a liability (and not revenue) for...
- Non-refundable upfront fees (and some related costs)
- B48 In some contracts, an entity charges a customer a non-refundable...
- B49 To identify performance obligations in such contracts, an entity shall...
- B50 If the non-refundable upfront fee relates to a good or...
- B51 An entity may charge a non-refundable fee in part as...
- Licensing
- B52 A licence establishes a customer's rights to the intellectual property...
- B53 In addition to a promise to grant a licence (or...
- B54 If the promise to grant a licence is not distinct...
- B55 If the licence is not distinct, an entity shall apply...
- B56 If the promise to grant the licence is distinct from...
- Determining the nature of the entity's promise
- B57 [Deleted]
- B58 The nature of an entity's promise in granting a licence...
- B59 Factors that may indicate that a customer could reasonably expect...
- B59A An entity's activities significantly affect the intellectual property to which...
- B60 If the criteria in paragraph B58 are met, an entity...
- B61 If the criteria in paragraph B58 are not met, the...
- B62 An entity shall disregard the following factors when determining whether...
- Sales-based or usage-based royalties
- B63 Notwithstanding the requirements in paragraphs 56–59, an entity shall recognise...
- B63A The requirement for a sales-based or usage-based royalty in paragraph...
- B63B When the requirement in paragraph B63A is met, revenue from...
- Repurchase agreements
- B64 A repurchase agreement is a contract in which an entity...
- B65 Repurchase agreements generally come in three forms:  
A forward or a call option
- B66 If an entity has an obligation or a right to...
- B67 When comparing the repurchase price with the selling price, an...
- B68 If the repurchase agreement is a financing arrangement, the entity...
- B69 If the option lapses unexercised, an entity shall derecognise the...
- A put option
- B70 If an entity has an obligation to repurchase the asset...
- B71 To determine whether a customer has a significant economic incentive...

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- B72 If the customer does not have a significant economic incentive...
- B73 If the repurchase price of the asset is equal to...
- B74 If the repurchase price of the asset is equal to...
- B75 When comparing the repurchase price with the selling price, an...
- B76 If the option lapses unexercised, an entity shall derecognise the...
- Consignment arrangements
- B77 When an entity delivers a product to another party (such...
- B78 Indicators that an arrangement is a consignment arrangement include, but...
- Bill-and-hold arrangements
- B79 A bill-and-hold arrangement is a contract under which an entity...
- B80 An entity shall determine when it has satisfied its performance...
- B81 In addition to applying the requirements in paragraph 38, for...
- B82 If an entity recognises revenue for the sale of a...
- Customer acceptance
- B83 In accordance with paragraph 38(e), a customer's acceptance of an...
- B84 If an entity can objectively determine that control of a...
- B85 However, if an entity cannot objectively determine that the good...
- B86 If an entity delivers products to a customer for trial...
- Disclosure of disaggregated revenue
- B87 Paragraph 114 requires an entity to disaggregate revenue from contracts...
- B88 When selecting the type of category (or categories) to use...
- B89 Examples of categories that might be appropriate include, but are...

## Appendix C

### Effective date and transition

#### EFFECTIVE DATE

- C1 An entity shall apply this Standard for annual reporting periods...
- C1A IFRS 16 Leases, issued in January 2016, amended paragraphs...
- C1B Clarifications to IFRS 15 Revenue from Contracts with Customers, issued...

#### TRANSITION

- C2 For the purposes of the transition requirements in paragraphs C3–C8:...
- C3 An entity shall apply this Standard using one of the...
- C4 Notwithstanding the requirements of paragraph 28 of IAS 8, when...
- C5 An entity may use one or more of the following...
- C6 For any of the practical expedients in paragraph C5 that...
- C7 If an entity elects to apply this Standard retrospectively in...
- C7A An entity applying this Standard retrospectively in accordance with paragraph...
- C8 For reporting periods that include the date of initial application,...
- C8A An entity shall apply Clarifications to IFRS 15 (see paragraph...  
References to IFRS 9
- C9 If an entity applies this Standard but does not yet...

#### WITHDRAWAL OF OTHER STANDARDS

- C10 This Standard supersedes the following Standards:

## INTERNATIONAL FINANCIAL REPORTING STANDARD 16

### Leases

#### OBJECTIVE

1. This Standard sets out the principles for the recognition, measurement,...
2. An entity shall consider the terms and conditions of contracts...

#### SCOPE

3. An entity shall apply this Standard to all leases, including...
4. A lessee may, but is not required to, apply this...

#### RECOGNITION EXEMPTIONS (PARAGRAPHS B3–B8)

5. A lessee may elect not to apply the requirements in...
6. If a lessee elects not to apply the requirements in...
7. If a lessee accounts for short-term leases applying paragraph 6,...
8. The election for short-term leases shall be made by class...

#### IDENTIFYING A LEASE (PARAGRAPHS B9–B33)

9. At inception of a contract, an entity shall assess whether...
  10. A period of time may be described in terms of...
  11. An entity shall reassess whether a contract is, or contains,...
- Separating components of a contract
12. For a contract that is, or contains, a lease, an...  
Lessee
    13. For a contract that contains a lease component and one...
    14. The relative stand-alone price of lease and non-lease components shall...
    15. As a practical expedient, a lessee may elect, by class...
    16. Unless the practical expedient in paragraph 15 is applied, a...
  17. For a contract that contains a lease component and one...  
Lessor

#### LEASE TERM (PARAGRAPHS B34–B41)

18. An entity shall determine the lease term as the non-cancellable...
19. In assessing whether a lessee is reasonably certain to exercise...
20. A lessee shall reassess whether it is reasonably certain to...
21. An entity shall revise the lease term if there is...

#### LESSEE

##### Recognition

22. At the commencement date, a lessee shall recognise a...

##### Measurement

##### Initial measurement

##### Initial measurement of the right-of-use asset

23. At the commencement date, a lessee shall measure the right-of-use...
24. The cost of the right-of-use asset shall comprise:
25. A lessee shall recognise the costs described in paragraph 24(d)...

##### Initial measurement of the lease liability

26. At the commencement date, a lessee shall measure the lease...

27. At the commencement date, the lease payments included in the...

28. Variable lease payments that depend on an index or a...

#### Subsequent measurement

##### Subsequent measurement of the right-of-use asset

29. After the commencement date, a lessee shall measure the right-of-use...

##### Cost model

30. To apply a cost model, a lessee shall measure the...

31. A lessee shall apply the depreciation requirements in IAS 16...

32. If the lease transfers ownership of the underlying asset to...

33. A lessee shall apply IAS 36 Impairment of Assets to...

##### Other measurement models

34. If a lessee applies the fair value model in IAS...

35. If right-of-use assets relate to a class of property, plant...

##### Subsequent measurement of the lease liability

36. After the commencement date, a lessee shall measure the lease...

37. Interest on the lease liability in each period during the...

38. After the commencement date, a lessee shall recognise in profit...

##### Reassessment of the lease liability

39. After the commencement date, a lessee shall apply paragraphs 40–43...

40. A lessee shall remeasure the lease liability by discounting the...

41. In applying paragraph 40, a lessee shall determine the revised...

42. A lessee shall remeasure the lease liability by discounting the...

43. In applying paragraph 42, a lessee shall use an unchanged...

##### Lease modifications

44. A lessee shall account for a lease modification as a...

45. For a lease modification that is not accounted for as...

46. For a lease modification that is not accounted for as...

46A. As a practical expedient, a lessee may elect not to...

46B. The practical expedient in paragraph 46A applies only to rent...

##### Presentation

47. A lessee shall either present in the statement of financial...

48. The requirement in paragraph 47(a) does not apply to right-of-use...

49. In the statement of profit or loss and other comprehensive...

50. In the statement of cash flows, a lessee shall classify:...

##### Disclosure

51. The objective of the disclosures is for lessees to disclose...



- 52. A lessee shall disclose information about its leases for which...
- 53. A lessee shall disclose the following amounts for the reporting...
- 54. A lessee shall provide the disclosures specified in paragraph 53...
- 55. A lessee shall disclose the amount of its lease commitments...
- 56. If right-of-use assets meet the definition of investment property, a...
- 57. If a lessee measures right-of-use assets at revalued amounts applying...
- 58. A lessee shall disclose a maturity analysis of lease liabilities...
- 59. In addition to the disclosures required in paragraphs 53–58, a...
- 60. A lessee that accounts for short-term leases or leases of...
- 60A. If a lessee applies the practical expedient in paragraph 46A,...

## LESSOR

### Classification of leases (paragraphs B53–B58)

- 61. A lessor shall classify each of its leases as either...
- 62. A lease is classified as a finance lease if it...
- 63. Whether a lease is a finance lease or an operating...
- 64. Indicators of situations that individually or in combination could also...
- 65. The examples and indicators in paragraphs 63–64 are not always...
- 66. Lease classification is made at the inception date and is...

### Finance leases

#### Recognition and measurement

- 67. At the commencement date, a lessor shall recognise assets held...

#### Initial measurement

- 68. The lessor shall use the interest rate implicit in the...
- 69. Initial direct costs, other than those incurred by manufacturer or...  
Initial measurement of the lease payments included in the net...
- 70. At the commencement date, the lease payments included in the...

#### Manufacturer or dealer lessors

- 71. At the commencement date, a manufacturer or dealer lessor shall...
- 72. Manufacturers or dealers often offer to customers the choice of...
- 73. Manufacturer or dealer lessors sometimes quote artificially low rates of...
- 74. A manufacturer or dealer lessor shall recognise as an expense...

#### Subsequent measurement

- 75. A lessor shall recognise finance income over the lease term,...
- 76. A lessor aims to allocate finance income over the lease...
- 77. A lessor shall apply the derecognition and impairment requirements in...
- 78. A lessor that classifies an asset under a finance lease...

#### Lease modifications

- 79. A lessor shall account for a modification to a finance...
- 80. For a modification to a finance lease that is not...

## Operating leases

### Recognition and measurement

81. A lessor shall recognise lease payments from operating leases as...
82. A lessor shall recognise costs, including depreciation, incurred in earning...
83. A lessor shall add initial direct costs incurred in obtaining...
84. The depreciation policy for depreciable underlying assets subject to operating...
85. A lessor shall apply IAS 36 to determine whether an...
86. A manufacturer or dealer lessor does not recognise any selling...

### Lease modifications

87. A lessor shall account for a modification to an operating...

### Presentation

88. A lessor shall present underlying assets subject to operating leases...

## Disclosure

89. The objective of the disclosures is for lessors to disclose...
90. A lessor shall disclose the following amounts for the reporting...
91. A lessor shall provide the disclosures specified in paragraph 90...
92. A lessor shall disclose additional qualitative and quantitative information about...

### Finance leases

93. A lessor shall provide a qualitative and quantitative explanation of...
94. A lessor shall disclose a maturity analysis of the lease...

### Operating leases

95. For items of property, plant and equipment subject to an...
96. A lessor shall apply the disclosure requirements in IAS 36,...
97. A lessor shall disclose a maturity analysis of lease payments,...

## SALE AND LEASEBACK TRANSACTIONS

98. If an entity (the seller-lessee) transfers an asset to another...  
Assessing whether the transfer of the asset is a sale...
  99. An entity shall apply the requirements for determining when a...  
Transfer of the asset is a sale
    100. If the transfer of an asset by the seller-lessee satisfies...
    101. If the fair value of the consideration for the sale...
    102. The entity shall measure any potential adjustment required by paragraph...
  - Transfer of the asset is not a sale
    103. If the transfer of an asset by the seller-lessee does...

## Appendix A

### Defined terms

Terms defined in other Standards and used in this Standard...

## Appendix B

### Application guidance

#### Portfolio application

B1 This Standard specifies the accounting for an individual lease. However,...

#### Combination of contracts

B2 In applying this Standard, an entity shall combine two or...

Recognition exemption: leases for which the underlying asset is of...

B3 Except as specified in paragraph B7, this Standard permits a...

B4 The assessment of whether an underlying asset is of low...

B5 An underlying asset can be of low value only if:...

B6 A lease of an underlying asset does not qualify as...

B7 If a lessee subleases an asset, or expects to sublease...

B8 Examples of low-value underlying assets can include tablet and personal...

#### Identifying a lease (paragraphs 9–11)

B9 To assess whether a contract conveys the right to control...

B10 If the customer has the right to control the use...

B11 A contract to receive goods or services may be entered...

B12 An entity shall assess whether a contract contains a lease...

#### Identified asset

B13 An asset is typically identified by being explicitly specified in...

#### Substantive substitution rights

B14 Even if an asset is specified, a customer does not...

B15 If the supplier has a right or an obligation to...

B16 An entity's evaluation of whether a supplier's substitution right is...

B17 If the asset is located at the customer's premises or...

B18 The supplier's right or obligation to substitute the asset for...

B19 If the customer cannot readily determine whether the supplier has...

#### Portions of assets

B20 A capacity portion of an asset is an identified asset...

#### Right to obtain economic benefits from use

B21 To control the use of an identified asset, a customer...

B22 When assessing the right to obtain substantially all of the...

B23 If a contract requires a customer to pay the supplier...

#### Right to direct the use

B24 A customer has the right to direct the use of...

#### How and for what purpose the asset is used

B25 A customer has the right to direct how and for...

B26 Examples of decision-making rights that, depending on the circumstances, grant...

B27 Examples of decision-making rights that do not grant the right...

#### Decisions determined during and before the period of use

B28 The relevant decisions about how and for what purpose the...

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- B29 In assessing whether a customer has the right to direct...
- Protective rights
- B30 A contract may include terms and conditions designed to protect...
- B31 The following flowchart may assist entities in making the assessment...
- Separating components of a contract (paragraphs 12–17)
- B32 The right to use an underlying asset is a separate...
- B33 A contract may include an amount payable by the lessee...
- Lease term (paragraphs 18–21)
- B34 In determining the lease term and assessing the length of...
- B35 If only a lessee has the right to terminate a...
- B36 The lease term begins at the commencement date and includes...
- B37 At the commencement date, an entity assesses whether the lessee...
- B38 An option to extend or terminate a lease may be...
- B39 The shorter the non-cancellable period of a lease, the more...
- B40 A lessee's past practice regarding the period over which it...
- B41 Paragraph 20 specifies that, after the commencement date, a lessee...
- In-substance fixed lease payments (paragraphs 27(a), 36(c) and 70(a))
- B42 Lease payments include any in-substance fixed lease payments. In-substance fixed...
- Lessee involvement with the underlying asset before the commencement date...
- Costs of the lessee relating to the construction or design...
- B43 An entity may negotiate a lease before the underlying asset...
- B44 If a lessee incurs costs relating to the construction or...
- Legal title to the underlying asset
- B45 A lessee may obtain legal title to an underlying asset...
- B46 If the lessee controls (or obtains control of) the underlying...
- B47 However, if the lessee does not obtain control of the...
- Lessee disclosures (paragraph 59)
- B48 In determining whether additional information about leasing activities is necessary...
- B49 Additional information relating to variable lease payments that, depending on...
- B50 Additional information relating to extension options or termination options that,...
- B51 Additional information relating to residual value guarantees that, depending on...
- B52 Additional information relating to sale and leaseback transactions that, depending...
- Lessor lease classification (paragraphs 61–66)
- B53 The classification of leases for lessors in this Standard is...
- B54 A lease contract may include terms and conditions to adjust...
- B55 When a lease includes both land and buildings elements, a...
- B56 Whenever necessary in order to classify and account for a...
- B57 For a lease of land and buildings in which the...
- Sublease classification
- B58 In classifying a sublease, an intermediate lessor shall classify the...

## Appendix C

### Effective date and transition

#### EFFECTIVE DATE

C1 An entity shall apply this Standard for annual reporting periods...

C1A Covid-19-Related Rent Concessions, issued in May 2020, added paragraphs 46A,...

#### TRANSITION

C2 For the purposes of the requirements in paragraphs C1–C19, the...

##### Definition of a lease

C3 As a practical expedient, an entity is not required to...

C4 If an entity chooses the practical expedient in paragraph C3,...

##### Lessees

C5 A lessee shall apply this Standard to its leases either:...

C6 A lessee shall apply the election described in paragraph C5...

C7 If a lessee elects to apply this Standard in accordance...

##### Leases previously classified as operating leases

C8 If a lessee elects to apply this Standard in accordance...

C9 Notwithstanding the requirements in paragraph C8, for leases previously classified...

C10 A lessee may use one or more of the following...

##### Leases previously classified as finance leases

C11 If a lessee elects to apply this Standard in accordance...

##### Disclosure

C12 If a lessee elects to apply this Standard in accordance...

C13 If a lessee uses one or more of the specified...

##### Lessors

C14 Except as described in paragraph C15, a lessor is not...

C15 An intermediate lessor shall:

##### Sale and leaseback transactions before the date of initial application...

C16 An entity shall not reassess sale and leaseback transactions entered...

C17 If a sale and leaseback transaction was accounted for as...

C18 If a sale and leaseback transaction was accounted for as...

##### Amounts previously recognised in respect of business combinations

C19 If a lessee previously recognised an asset or a liability...

##### References to IFRS 9

C20 If an entity applies this Standard but does not yet...

##### Covid-19-related rent concessions for lessees

C20A A lessee shall apply Covid-19-Related Rent Concessions (see paragraph C1A)...

C20B In the reporting period in which a lessee first applies...

#### WITHDRAWAL OF OTHER STANDARDS

C21 This Standard supersedes the following Standards and Interpretations:

## Appendix D

### Amendments to other Standards

## IFRIC INTERPRETATION 1

Changes in existing decommissioning, restoration and similar liabilities

### REFERENCES

### BACKGROUND

1 Many entities have obligations to dismantle, remove and restore items...

### SCOPE

2 This Interpretation applies to changes in the measurement of any...

### ISSUE

3 This interpretation addresses how the effect of the following events...

### CONSENSUS

4 Changes in the measurement of an existing decommissioning, restoration and...

5 If the related asset is measured using the cost model:...

6 If the related asset is measured using the revaluation model:...

7 The adjusted depreciable amount of the asset is depreciated over...

8 The periodic unwinding of the discount shall be recognised in...

### EFFECTIVE DATE

9 An entity shall apply this interpretation for annual periods beginning...

9A IAS 1 (as revised in 2007) amended the terminology used...

9B IFRS 16, issued in January 2016, amended paragraph 2. An...

### TRANSITION

10 Changes in accounting policies shall be accounted for according to...

## IFRIC INTERPRETATION 2

Members' shares in cooperative entities and similar instruments

### REFERENCES

### BACKGROUND

1 Cooperatives and other similar entities are formed by groups of...

2 IAS 32 establishes principles for the classification of financial instruments...

### SCOPE

3 This interpretation applies to financial instruments within the scope of...

### ISSUE

4 Many financial instruments, including members' shares, have characteristics of equity,...

### CONSENSUS

5 The contractual right of the holder of a financial instrument...

6 Members' shares that would be classified as equity if the...

7 Members' shares are equity if the entity has an unconditional...

8 Local law, regulation or the entity's governing charter can impose...

9 An unconditional prohibition may be absolute, in that all redemptions...

- 10 At initial recognition, the entity shall measure its financial liability...
- 11 As required by paragraph 35 of IAS 32, distributions to...
- 12 The Appendix, which is an integral part of the consensus,...

#### DISCLOSURE

- 13 When a change in the redemption prohibition leads to a...

#### EFFECTIVE DATE

- 14 The effective date and transition requirements of this interpretation are...
- 14A An entity shall apply the amendments in paragraphs 6, 9,...
- 16 IFRS 13, issued in May 2011, amended paragraph A8. An...
- 17 Annual Improvements 2009–2011 Cycle, issued in May 2012, amended...
- 19 IFRS 9, as issued in July 2014, amended paragraphs A8...

### Appendix

#### Examples of application of the consensus

- A1 This appendix sets out seven examples of the application of...

#### UNCONDITIONAL RIGHT TO REFUSE REDEMPTION (paragraph 7)

##### Example 1

###### Facts

- A2 The entity's charter states that redemptions are made at the...

###### Classification

- A3 The entity has the unconditional right to refuse redemption and...

##### Example 2

###### Facts

- A4 The entity's charter states that redemptions are made at the...

###### Classification

- A5 The entity does not have the unconditional right to refuse...

#### PROHIBITIONS AGAINST REDEMPTION (paragraphs 8 and 9)

##### Example 3

###### Facts

- A6 A cooperative entity has issued shares to its members at...

- A7 The entity's charter states that cumulative redemptions cannot exceed 20...

###### Classification

Before the governing charter is amended

- A8 Members' shares in excess of the prohibition against redemption are...

- A9 On 1 January 20X1 the maximum amount payable under the...

After the governing charter is amended

- A10 Following the change in its governing charter the cooperative entity...

##### Example 4

###### Facts

*Changes to legislation:* There are currently no known outstanding effects for the Commission Regulation (EC) No 1126/2008. (See end of Document for details)

---

A11 Local law governing the operations of cooperatives, or the terms...

Classification

A12 In this case, CU750 000 would be classified as equity...

A13 The redemption prohibition described in this example is different from...

#### Example 5

Facts

A14 The facts of this example are as stated in example...

Classification

A15 As in example 4, the entity classifies CU750 000 as...

#### Example 6

Facts

A16 The entity's governing charter prohibits it from redeeming members' shares,...

Classification

A17 The entity classifies CU12 000 of the members' shares as...

#### Example 7

Facts

A18 The entity is a cooperative bank. Local law governing the...

Classification

A19 In this example members' shares are classified as financial liabilities....

## IFRIC INTERPRETATION 4

### Determining whether an arrangement contains a lease

#### REFERENCES

#### BACKGROUND

- 1 An entity may enter into an arrangement, comprising a transaction...
- 2 This interpretation provides guidance for determining whether such arrangements are,...
- 3 In some arrangements, the underlying asset that is the subject...

#### SCOPE

- 4 This Interpretation does not apply to arrangements that:

#### ISSUES

- 5 The issues addressed in this interpretation are:

#### CONSENSUS

Determining whether an arrangement is, or contains, a lease

6 Determining whether an arrangement is, or contains, a lease shall...

Fulfilment of the arrangement is dependent on the use of...

7 Although a specific asset may be explicitly identified in an...

8 An asset has been implicitly specified if, for example, the...

Arrangement conveys a right to use the asset

9 An arrangement conveys the right to use the asset if...

Assessing or reassessing whether an arrangement is, or contains, a...

10 The assessment of whether an arrangement contains a lease shall...



- 11 A reassessment of an arrangement shall be based on the...  
Separating payments for the lease from other payments
- 12 If an arrangement contains a lease, the parties to the...
- 13 For the purpose of applying the requirements of IAS 17,...
- 14 In some cases, separating the payments for the lease from...
- 15 If a purchaser concludes that it is impracticable to separate...

#### EFFECTIVE DATE

- 16 An entity shall apply this interpretation for annual periods beginning...

#### TRANSITION

- 17 IAS 8 specifies how an entity applies a change in...

### IFRIC INTERPRETATION 5

Rights to interests arising from decommissioning,  
restoration and environmental rehabilitation funds

#### REFERENCES

#### BACKGROUND

- 1 The purpose of decommissioning, restoration and environmental rehabilitation funds, hereafter...
- 2 Contributions to these funds may be voluntary or required by...
- 3 Such funds generally have the following features:

#### SCOPE

- 4 This interpretation applies to accounting in the financial statements of...
- 5 A residual interest in a fund that extends beyond a...

#### ISSUES

- 6 The issues addressed in this interpretation are:

#### CONSENSUS

Accounting for an interest in a fund

- 7 The contributor shall recognise its obligation to pay decommissioning costs...
- 8 The contributor shall determine whether it has control or joint...
- 9 If a contributor does not have control or joint control...

Accounting for obligations to make additional contributions

- 10 When a contributor has an obligation to make potential additional...

Disclosure

- 11 A contributor shall disclose the nature of its interest in...
- 12 When a contributor has an obligation to make potential additional...
- 13 When a contributor accounts for its interest in the fund...

#### EFFECTIVE DATE

- 14 An entity shall apply this interpretation for annual periods beginning...
- 14B IFRS 10 and IFRS 11, issued in May 2011, amended...
- 14D IFRS 9, as issued in July 2014, amended paragraph 5...

#### TRANSITION

- 15 Changes in accounting policies shall be accounted for in accordance...

#### IFRIC INTERPRETATION 6

Liabilities arising from participating in a specific  
market — waste electrical and electronic equipment

#### REFERENCES

##### BACKGROUND

- 1 Paragraph 17 of IAS 37 specifies that an obligating event...
- 2 Paragraph 19 of IAS 37 states that provisions are recognised...
- 3 The European Union's Directive on Waste Electrical and Electronic  
Equipment...
- 4 The Directive states that the cost of waste management for...
- 5 Several terms used in the interpretation such as 'market share'...

##### SCOPE

- 6 This interpretation provides guidance on the recognition, in the financial...
- 7 The interpretation addresses neither new waste nor historical waste from...

##### ISSUE

- 8 The IFRIC was asked to determine in the context of...

##### CONSENSUS

- 9 Participation in the market during the measurement period is the...

##### EFFECTIVE DATE

- 10 An entity shall apply this interpretation for annual periods beginning...

##### TRANSITION

- 11 Changes in accounting policies shall be accounted for in accordance...

#### IFRIC INTERPRETATION 7

Applying the restatement approach under IAS 29  
Financial reporting in hyperinflationary economies

#### REFERENCES

##### BACKGROUND

- 1 This interpretation provides guidance on how to apply the requirements...

##### ISSUES

- 2 The questions addressed in this interpretation are:

##### CONSENSUS

- 3 In the reporting period in which an entity identifies the...
- 4 At the end of the reporting period, deferred tax items...
- 5 After an entity has restated its financial statements, all corresponding...

##### EFFECTIVE DATE

6 An entity shall apply this interpretation for annual periods beginning...

## IFRIC INTERPRETATION 8

### Scope of IFRS 2

#### REFERENCES

##### BACKGROUND

1	.....
2	.....
3	.....
4	.....
5	.....

##### SCOPE

6	.....
---	-------

##### ISSUE

7	.....
---	-------

##### CONSENSUS

8	.....
9	.....
10	.....
11	.....
12	.....

##### EFFECTIVE DATE

13	.....
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##### TRANSITION

14	.....
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## IFRIC INTERPRETATION 9

### Reassessment of embedded derivatives

#### REFERENCES

##### BACKGROUND

1	.....
2	IAS 39 paragraph 11 requires an embedded derivative to be...

##### SCOPE

3	.....
4	.....
5	This interpretation does not apply to embedded derivatives in contracts...

##### ISSUES

6	IAS 39 requires an entity, when it first becomes a...
---	---

## CONSENSUS

- 7 .....  
7A The assessment whether an embedded derivative is required to be...  
8 .....

## EFFECTIVE DATE AND TRANSITION

- 9 .....  
10 .....  
11 .....  
12 .....

## IFRIC INTERPRETATION 10

### Interim financial reporting and impairment

## REFERENCES

### BACKGROUND

- 1 An entity is required to assess goodwill for impairment at...  
2 The Interpretation addresses the interaction between the requirements of IAS...

### ISSUE

- 3 IAS 34 paragraph 28 requires an entity to apply the...  
4 IAS 36 paragraph 124 states that ‘An impairment loss recognised...  
5 [Deleted]  
6 [Deleted]  
7 The Interpretation addresses the following issue:

## CONSENSUS

- 8 An entity shall not reverse an impairment loss recognised in...  
9 An entity shall not extend this consensus by analogy to...

## EFFECTIVE DATE AND TRANSITION

- 10 An entity shall apply the interpretation for annual periods beginning...  
14 IFRS 9, as issued in July 2014, amended paragraphs 1,...

## IFRIC INTERPRETATION 11

### IFRS 2 — Group and treasury share transactions

## REFERENCES

### ISSUES

- 1 This interpretation addresses two issues. The first is whether the...  
2 The second issue concerns share-based payment arrangements that involve  
two...  
3 Therefore, the second issue addresses the following share-based payment  
arrangements:...  
4 .....  
5 .....  
6 .....

## CONSENSUS

Share-based payment arrangements involving an entity's own equity instruments (paragraph...

7 Share-based payment transactions in which an entity receives services as...

Share-based payment arrangements involving equity instruments of the parent

A parent grants rights to its equity instruments to the...

8 .....

9 .....

10 .....

A subsidiary grants rights to equity instruments of its parent...

11 .....

## EFFECTIVE DATE

12 .....

## TRANSITION

13 .....

## IFRIC INTERPRETATION 12

### Service Concession Arrangements

## REFERENCES

### BACKGROUND

1 In many countries, infrastructure for public services — such as...

2 In some countries, governments have introduced contractual service arrangements to...

3 A feature of these service arrangements is the public service...

### SCOPE

4 This Interpretation gives guidance on the accounting by operators for...

5 This Interpretation applies to public-to-private service concession arrangements if:

6 Infrastructure used in a public-to-private service concession arrangement for its...

7 This Interpretation applies to both:

8 This Interpretation does not specify the accounting for infrastructure that...

9 This Interpretation does not specify the accounting by grantors.

### ISSUES

10 This Interpretation sets out general principles on recognising and measuring...

## CONSENSUS

Treatment of the operator's rights over the infrastructure

11 Infrastructure within the scope of this Interpretation shall not be...

Recognition and measurement of arrangement consideration

12 Under the terms of contractual arrangements within the scope of...

13 The operator shall recognise and measure revenue in accordance with...

Construction or upgrade services

14 The operator shall account for construction or upgrade services in...

*Changes to legislation:* There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1126/2008. (See end of Document for details)

---

#### Consideration given by the grantor to the operator

- 15 If the operator provides construction or upgrade services the consideration...
- 16 The operator shall recognise a financial asset to the extent...
- 17 The operator shall recognise an intangible asset to the extent...
- 18 If the operator is paid for the construction services partly...
- 19 The nature of the consideration given by the grantor to...

#### Operation services

- 20 The operator shall account for operation services in accordance with... Contractual obligations to restore the infrastructure to a specified level...
- 21 The operator may have contractual obligations it must fulfil as...

#### Borrowing costs incurred by the operator

- 22 In accordance with IAS 23, borrowing costs attributable to the...

#### Financial asset

- 23 IAS 32 and IFRSs 7 and 9 apply to the...
- 24 The amount due from or at the direction of the...
- 25 If the amount due from the grantor is measured at...

#### Intangible asset

- 26 IAS 38 applies to the intangible asset recognised in accordance...

#### Items provided to the operator by the grantor

- 27 In accordance with paragraph 11, infrastructure items to which the...

#### EFFECTIVE DATE

- 28 An entity shall apply this Interpretation for annual periods beginning...
- 28D IFRS 15 Revenue from Contracts with Customers, issued in...
- 28E IFRS 9, as issued in July 2014, amended paragraphs 23–25...
- 28F IFRS 16, issued in January 2016, amended paragraph AG8 and...

#### TRANSITION

- 29 Subject to paragraph 30, changes in accounting policies are accounted...
- 30 If, for any particular service arrangement, it is impracticable for...

### Appendix A

#### APPLICATION GUIDANCE

##### SCOPE (paragraph 5)

- AG1 Paragraph 5 of this Interpretation specifies that infrastructure is within...
- AG2 The control or regulation referred to in condition (a) could...
- AG3 For the purpose of condition (a), the grantor does not...
- AG4 For the purpose of condition (b), the grantor's control over...
- AG5 Control should be distinguished from management. If the grantor retains...
- AG6 Conditions (a) and (b) together identify when the infrastructure, including...
- AG7 Sometimes the use of infrastructure is partly regulated in the...
- AG8 The operator may have a right to use the separable...

## IFRIC INTERPRETATION 13

### Customer Loyalty Programmes

#### REFERENCES

#### BACKGROUND

- 1 Customer loyalty programmes are used by entities to provide customers...
- 2 The programmes operate in a variety of ways. Customers may...

#### SCOPE

- 3 This Interpretation applies to customer loyalty award credits that:

#### ISSUES

- 4 The issues addressed in this Interpretation are:

#### CONSENSUS

- 5 An entity shall apply paragraph 13 of IAS 18 and...
- 6 The consideration allocated to the award credits shall be measured...
- 7 If the entity supplies the awards itself, it shall recognise...
- 8 If a third party supplies the awards, the entity shall...
- 9 If at any time the unavoidable costs of meeting the...

#### EFFECTIVE DATE AND TRANSITION

- 10 An entity shall apply this Interpretation for annual periods beginning...
- 10A Paragraph AG2 was amended by Improvements to IFRSs issued in...
- 10B IFRS 13, issued in May 2011, amended paragraphs 6 and...
- 11 Changes in accounting policy shall be accounted for in accordance...

## Appendix

#### Application guidance

##### Measuring the fair value of award credits

- AG1 Paragraph 6 of the consensus requires the consideration allocated to...
- AG2 An entity may measure the fair value of award credits...
- AG3 In some circumstances, other valuation techniques may be used. For...

## IFRIC INTERPRETATION 14

### IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

#### REFERENCES

#### BACKGROUND

- 1 Paragraph 64 of IAS 19 limits the measurement of a...
- 2 Minimum funding requirements exist in many countries to improve the...
- 3 Further, the limit on the measurement of a defined benefit...
- 3A In November 2009 the International Accounting Standards Board amended IFRIC...

*Changes to legislation:* There are currently no known outstanding effects for the Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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## SCOPE

- 4 This Interpretation applies to all post-employment defined benefits and other...  
 5 For the purpose of this Interpretation, minimum funding requirements are...

## ISSUES

- 6 The issues addressed in this Interpretation are:

## CONSENSUS

Availability of a refund or reduction in future contributions

- 7 An entity shall determine the availability of a refund or...  
 8 An economic benefit, in the form of a refund or...  
 9 The economic benefit available does not depend on how the...  
 10 In accordance with IAS 1, the entity shall disclose information...  
 The economic benefit available as a refund  
 11 A refund is available to an entity only if the...  
 12 If the entity's right to a refund of a surplus...  
 13 An entity shall measure the economic benefit available as a...  
 14 In measuring the amount of a refund available when the...  
 15 If the amount of a refund is determined as the...  
 The economic benefit available as a contribution reduction  
 16 If there is no minimum funding requirement for contributions relating...  
 17 An entity shall determine the future service costs using assumptions...  
 The effect of a minimum funding requirement on the economic...  
 18 An entity shall analyse any minimum funding requirement at a...  
 19 Contributions to cover any existing shortfall on the minimum funding...  
 20 If there is a minimum funding requirement for contributions relating...  
 21 An entity shall estimate the future minimum funding requirement contributions...  
 22 When an entity determines the amount described in paragraph 20(b),...  
 When a minimum funding requirement may give rise to a...  
 23 If an entity has an obligation under a minimum funding...  
 24 To the extent that the contributions payable will not be...  
 25 .....  
 26 The liability in respect of the minimum funding requirement and...

## EFFECTIVE DATE

- 27 An entity shall apply this Interpretation for annual periods beginning...  
 27A IAS 1 (as revised in 2007) amended the terminology used...  
 27B Prepayments of a Minimum Funding Requirement added paragraph 3A and...  
 27C IAS 19 (as amended in 2011) amended paragraphs 1, 6,...

## TRANSITION

- 28 An entity shall apply this Interpretation from the beginning of...  
 29 An entity shall apply the amendments in paragraphs 3A, 16–18...

## IFRIC INTERPRETATION 15

Agreements for the Construction of Real Estate

## REFERENCES



## BACKGROUND

- 1 In the real estate industry, entities that undertake the construction...
- 2 For example, entities that undertake the construction of residential real...
- 3 Entities that undertake the construction of commercial or industrial real...

## SCOPE

- 4 This Interpretation applies to the accounting for revenue and associated...
- 5 Agreements in the scope of this Interpretation are agreements for...

## ISSUES

- 6 The Interpretation addresses two issues:

## CONSENSUS

- 7 The following discussion assumes that the entity has previously analysed...
- 8 Within a single agreement, an entity may contract to deliver...
- 9 The following discussion refers to an agreement for the construction...  
Determining whether the agreement is within the scope of IAS...
- 10 Determining whether an agreement for the construction of real estate...
- 11 IAS 11 applies when the agreement meets the definition of...
- 12 In contrast, an agreement for the construction of real estate...  
Accounting for revenue from the construction of real estate  
The agreement is a construction contract
- 13 When the agreement is within the scope of IAS 11...
- 14 The agreement may not meet the definition of a construction...  
The agreement is an agreement for the rendering of services...
- 15 If the entity is not required to acquire and supply...
- 16 The agreement is an agreement for the sale of goods...
- 17 If the entity is required to provide services together with...
- 18 The entity may transfer to the buyer control and the...
- 19 When the entity is required to perform further work on...
- Disclosures
- 20 When an entity recognises revenue using the percentage of completion...
- 21 For the agreements described in paragraph 20 that are in...

## AMENDMENTS TO THE APPENDIX TO IAS 18

- 22-23 [Amendment not applicable to bare, numbered Standards]

## EFFECTIVE DATE AND TRANSITION

- 24 An entity shall apply this Interpretation for annual periods beginning...
- 25 Changes in accounting policy shall be accounted for retrospectively in...

## IFRIC INTERPRETATION 16

### Hedges of a Net Investment in a Foreign Operation

## REFERENCES

## BACKGROUND

- 1 Many reporting entities have investments in foreign operations (as defined...
- 2 Hedge accounting of the foreign currency risk arising from a...

*Changes to legislation:* There are currently no known outstanding effects for the Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- 3 IFRS 9 requires the designation of an eligible hedged item...
- 4 An entity with many foreign operations may be exposed to...
- 5 IFRS 9 allows an entity to designate either a derivative...
- 6 IAS 21 and IFRS 9 require cumulative amounts recognised in...

#### SCOPE

- 7 This Interpretation applies to an entity that hedges the foreign...
- 8 This Interpretation applies only to hedges of net investments in...

#### ISSUES

- 9 Investments in foreign operations may be held directly by a...

#### CONSENSUS

- Nature of the hedged risk and amount of the hedged...
- 10 Hedge accounting may be applied only to the foreign exchange...
- 11 In a hedge of the foreign currency risks arising from...
- 12 The hedged risk may be designated as the foreign currency...
- 13 An exposure to foreign currency risk arising from a net...
- Where the hedging instrument can be held
- 14 A derivative or a non-derivative instrument (or a combination of...
- 15 For the purpose of assessing effectiveness, the change in value...
- Disposal of a hedged foreign operation
- 16 When a foreign operation that was hedged is disposed of,...
- 17 The amount reclassified to profit or loss from the foreign...

#### EFFECTIVE DATE

- 18 An entity shall apply this Interpretation for annual periods beginning...
- 18B IFRS 9, as issued in July 2014, amended paragraphs 3,...

#### TRANSITION

- 19 IAS 8 specifies how an entity applies a change in...

### Appendix

#### Application guidance

- AG1 This appendix illustrates the application of the Interpretation using the...
  - Nature of hedged risk for which a hedging relationship may...
  - AG2 Parent can hedge its net investment in each of Subsidiaries...
  - Amount of hedged item for which a hedging relationship may...
  - AG3 Parent wishes to hedge the foreign exchange risk from its...
  - AG4 The hedged item can be an amount of net assets...
  - AG5 In the absence of hedge accounting, the total USD/EUR foreign...
  - AG6 Parent cannot designate the US\$300 million external borrowing in Subsidiary...
  - Where in a group can the hedging instrument be held...
  - AG7 As noted in paragraph AG5, the total change in value...
  - Amounts reclassified to profit or loss on disposal of a...
  - AG8 When Subsidiary C is disposed of, the amounts reclassified to...
  - Hedging more than one foreign operation (paragraphs 11, 13 and...
  - AG9 The following examples illustrate that in the consolidated financial statements...

- Parent holds both USD and GBP hedging instruments  
AG10 Parent may wish to hedge the foreign exchange risk in...  
AG11 The EUR/USD risk from Parent's net investment in Subsidiary C...  
AG12 In the case described in paragraph AG10(b), if Parent designates...  
Subsidiary B holds the USD hedging instrument  
AG13 Assume that Subsidiary B holds US\$300 million of external debt...  
AG14 However, the accounting for Parent's £159 million loan payable to...  
AG15 If Parent reversed the hedging relationship designated by Subsidiary B,...

## IFRIC INTERPRETATION 17

### Distributions of Non-cash Assets to Owners

#### REFERENCES

#### BACKGROUND

- 1 Sometimes an entity distributes assets other than cash (non-cash assets)...
- 2 International Financial Reporting Standards (IFRSs) do not provide guidance on...

#### SCOPE

- 3 This Interpretation applies to the following types of non-reciprocal distributions...
- 4 This Interpretation applies only to distributions in which all owners...
- 5 This Interpretation does not apply to a distribution of a...
- 6 In accordance with paragraph 5, this Interpretation does not apply...
- 7 In accordance with paragraph 5, this Interpretation does not apply...
- 8 This Interpretation addresses only the accounting by an entity that...

#### ISSUES

- 9 When an entity declares a distribution and has an obligation...

#### CONSENSUS

When to recognise a dividend payable

- 10 The liability to pay a dividend shall be recognised when...

Measurement of a dividend payable

- 11 An entity shall measure a liability to distribute non-cash assets...

- 12 If an entity gives its owners a choice of receiving...

- 13 At the end of each reporting period and at the...

Accounting for any difference between the carrying amount of the...

- 14 When an entity settles the dividend payable, it shall recognise...

Presentation and disclosures

- 15 An entity shall present the difference described in paragraph 14...

- 16 An entity shall disclose the following information, if applicable:

- 17 If, after the end of a reporting period but before...

#### EFFECTIVE DATE

- 18 An entity shall apply this Interpretation prospectively for annual periods...
- 19 IFRS 10, issued in May 2011, amended paragraph 7. An...
- 20 IFRS 13, issued in May 2011, amended paragraph 17. An...

## IFRIC INTERPRETATION 18

## Transfers of Assets from Customers

## REFERENCES

## BACKGROUND

- 1 In the utilities industry, an entity may receive from its...
- 2 Transfers of assets from customers may also occur in industries...
- 3 In some cases, the transferor of the asset may not...

## SCOPE

- 4 This Interpretation applies to the accounting for transfers of items...
- 5 Agreements within the scope of this Interpretation are agreements in...
- 6 This Interpretation also applies to agreements in which an entity...
- 7 This Interpretation does not apply to agreements in which the...

## ISSUES

- 8 The Interpretation addresses the following issues:

## CONSENSUS

Is the definition of an asset met?

- 9 When an entity receives from a customer a transfer of...

10 An entity that controls an asset can generally deal with...

How should the transferred item of property, plant and equipment...

- 11 If the entity concludes that the definition of an asset...

How should the credit be accounted for?

- 12 The following discussion assumes that the entity receiving an item...

13 Paragraph 12 of IAS 18 states that ‘ When goods...

Identifying the separately identifiable services

- 14 An entity may agree to deliver one or more services...

15 Features that indicate that connecting the customer to a network...

16 A feature that indicates that providing the customer with ongoing...

17 Conversely, a feature that indicates that the obligation to provide...

Revenue recognition

- 18 If only one service is identified, the entity shall recognise...

19 If more than one separately identifiable service is identified,  
paragraph...

20 If an ongoing service is identified as part of the...

How should the entity account for a transfer of cash...

- 21 When an entity receives a transfer of cash from a...

## EFFECTIVE DATE AND TRANSITION

- 22 An entity shall apply this Interpretation prospectively to transfers of...

## IFRIC INTERPRETATION 19

## Extinguishing Financial Liabilities with Equity Instruments

## REFERENCES

## BACKGROUND

- 1 A debtor and creditor might renegotiate the terms of a...

## SCOPE

- 2 This Interpretation addresses the accounting by an entity when the...
- 3 An entity shall not apply this Interpretation to transactions in...

## ISSUES

- 4 This Interpretation addresses the following issues:

## CONSENSUS

- 5 The issue of an entity's equity instruments to a creditor...
- 6 When equity instruments issued to a creditor to extinguish all...
- 7 If the fair value of the equity instruments issued cannot...
- 8 If only part of the financial liability is extinguished, the...
- 9 The difference between the carrying amount of the financial liability...
- 10 When only part of the financial liability is extinguished, consideration...
- 11 An entity shall disclose a gain or loss recognised in...

## EFFECTIVE DATE AND TRANSITION

- 12 An entity shall apply this Interpretation for annual periods beginning...
- 13 An entity shall apply a change in accounting policy in...
- 15 IFRS 13, issued in May 2011, amended paragraph 7. An...
- 17 IFRS 9, as issued in July 2014, amended paragraphs 4,...

## IFRIC INTERPRETATION 20

### Stripping Costs in the Production Phase of a Surface Mine

## REFERENCES

## BACKGROUND

- 1 In surface mining operations, entities may find it necessary to...
- 2 During the development phase of the mine (before production begins),...
- 3 A mining entity may continue to remove overburden and to...
- 4 The material removed when stripping in the production phase will...
- 5 This Interpretation considers when and how to account separately for...

## SCOPE

- 6 This Interpretation applies to waste removal costs that are incurred...

## ISSUES

- 7 This Interpretation addresses the following issues:

## CONSENSUS

Recognition of production stripping costs as an asset

- 8 To the extent that the benefit from the stripping activity...

- 9 An entity shall recognise a stripping activity asset if, and...

- 10 The stripping activity asset shall be accounted for as an...

- 11 The stripping activity asset's classification as a tangible or intangible...

Initial measurement of the stripping activity asset

- 12 The entity shall initially measure the stripping activity asset at...

- 13 When the costs of the stripping activity asset and the...

Subsequent measurement of the stripping activity asset

- 14 After initial recognition, the stripping activity asset shall be carried...

*Changes to legislation:* There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1126/2008. (See end of Document for details)

---

- 15 The stripping activity asset shall be depreciated or amortised on...
- 16 The expected useful life of the identified component of the...

## Appendix A

### Effective date and transition

- A1 An entity shall apply this Interpretation for annual periods beginning...
- A2 An entity shall apply this Interpretation to production stripping costs...
- A3 As at the beginning of the earliest period presented, any...
- A4 If there is no identifiable component of the ore body...

## IFRIC 21

### IFRIC Interpretation 21 Levies

#### REFERENCES

#### BACKGROUND

- 1. A government may impose a levy on an entity. The...

#### SCOPE

- 2. This Interpretation addresses the accounting for a liability to pay...
- 3. This Interpretation does not address the accounting for the costs...
- 4. For the purposes of this Interpretation, a levy is an...
- 5. A payment made by an entity for the acquisition of...
- 6. An entity is not required to apply this Interpretation to...

#### ISSUES

- 7. To clarify the accounting for a liability to pay a...

#### CONSENSUS

- 8. The obligating event that gives rise to a liability to...
- 9. An entity does not have a constructive obligation to pay...
- 10. The preparation of financial statements under the going concern assumption...
- 11. The liability to pay a levy is recognised progressively if...
- 12. If an obligation to pay a levy is triggered when...
- 13. An entity shall apply the same recognition principles in the...
- 14. An entity shall recognise an asset if it has prepaid...

## Appendix A

### Effective date and transition

## IFRIC ® Interpretation 22

### Foreign Currency Transactions and Advance Consideration

#### REFERENCES

## BACKGROUND

1. Paragraph 21 of IAS 21 The Effects of Changes in...
2. When an entity pays or receives consideration in advance in...
3. The IFRS Interpretations Committee (the Interpretations Committee) initially received a...

## SCOPE

4. This Interpretation applies to a foreign currency transaction (or part...
5. This Interpretation does not apply when an entity measures the...
6. An entity is not required to apply this Interpretation to:...

## ISSUE

7. This Interpretation addresses how to determine the date of the...

## CONSENSUS

8. Applying paragraphs 21–22 of IAS 21, the date of the...
9. If there are multiple payments or receipts in advance, the...

## Appendix A

### Effective date and transition

#### EFFECTIVE DATE

A1 An entity shall apply this Interpretation for annual reporting periods...

#### TRANSITION

A2 On initial application, an entity shall apply this Interpretation either:...

A3 An entity that applies paragraph A2(b) shall, on initial application,...

## Appendix B

The amendment in this Appendix shall be applied for annual...

## IFRIC 23

### Uncertainty over Income tax treatments

## REFERENCES

### BACKGROUND

1. IAS 12 Income Taxes specifies requirements for current and deferred...
2. It may be unclear how tax law applies to a...
3. In this Interpretation:

### SCOPE

4. This Interpretation clarifies how to apply the recognition and measurement...

### ISSUES

5. When there is uncertainty over income tax treatments, this Interpretation...

### CONSENSUS

- Whether an entity considers uncertain tax treatments separately
6. An entity shall determine whether to consider each uncertain tax...
  7. If, applying paragraph 6, an entity considers more than one...
- Examination by taxation authorities
8. In assessing whether and how an uncertain tax treatment affects...
- Determination of taxable profit (tax loss), tax bases, unused tax...
9. An entity shall consider whether it is probable that a...
  10. If an entity concludes it is probable that the taxation...
  11. If an entity concludes it is not probable that the...
  12. If an uncertain tax treatment affects current tax and deferred...
- Changes in facts and circumstances
13. An entity shall reassess a judgement or estimate required by...
  14. An entity shall reflect the effect of a change in...

## Appendix A

### Application Guidance

- CHANGES IN FACTS AND CIRCUMSTANCES (PARAGRAPH 13)
- A1 In applying paragraph 13 of this Interpretation, an entity shall...
  - A2 Examples of changes in facts and circumstances or new information...
  - A3 The absence of agreement or disagreement by a taxation authority...
- DISCLOSURE
- A4 When there is uncertainty over income tax treatments, an entity...
  - A5 If an entity concludes it is probable that a taxation...

## Appendix B

### Effective date and transition

- EFFECTIVE DATE
- B1 An entity shall apply this Interpretation for annual reporting periods...
- TRANSITION
- B2 On initial application, an entity shall apply this Interpretation either:...

## SIC INTERPRETATION 7

### Introduction of the euro

## REFERENCES

### ISSUE

- 1 From 1 January 1999, the effective start of Economic and...
- 2 The issue is the application of IAS 21 to the...

### CONSENSUS

- 3 The requirements of IAS 21 regarding the translation of foreign...
- 4 This means that, in particular:

### DATE OF CONSENSUS



## EFFECTIVE DATE

### SIC INTERPRETATION 10

Government assistance — no specific relation to operating activities

#### REFERENCES

##### ISSUE

- 1 In some countries government assistance to entities may be aimed...
- 2 The issue is whether such government assistance is a ‘government...

##### CONSENSUS

- 3 Government assistance to entities meets the definition of government grants...

##### DATE OF CONSENSUS

## EFFECTIVE DATE

### SIC INTERPRETATION 12

Consolidation — special purpose entities

#### REFERENCES

##### ISSUE

- 1 .....
- 2 .....
- 3 .....
- 4 .....
- 5 .....
- 6 .....
- 7 .....

##### CONSENSUS

- 8 .....
- 9 .....
- 10 In addition to the situations described in IAS 27.13, the...
- 11 .....

##### DATE OF CONSENSUS

## EFFECTIVE DATE

### SIC INTERPRETATION 13

Jointly controlled entities — non-monetary contributions by venturers

#### REFERENCES

##### ISSUE

**Changes to legislation:** There are currently no known outstanding effects for the  
Commission Regulation (EC) No 1126/2008. (See end of Document for details)

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- 1 .....  
2 .....  
3 The issues are:  
4 .....

#### CONSENSUS

- 5 In applying IAS 31.48 to non-monetary contributions to a JCE...  
6 .....  
7 .....  
8-13 .....

#### DATE OF CONSENSUS

#### EFFECTIVE DATE

- 14 .....  
15 .....

### SIC INTERPRETATION 15

#### Operating leases — incentives

#### REFERENCES

#### ISSUE

- 1 In negotiating a new or renewed operating lease, the lessor...  
2 The issue is how incentives in an operating lease should...

#### CONSENSUS

- 3 All incentives for the agreement of a new or renewed...  
4 The lessor shall recognise the aggregate cost of incentives as...  
5 The lessee shall recognise the aggregate benefit of incentives as...  
6 Costs incurred by the lessee, including costs in connection with...

#### DATE OF CONSENSUS

#### EFFECTIVE DATE

### SIC INTERPRETATION 21

#### Income taxes — recovery of revalued non-depreciable assets

#### REFERENCES

#### ISSUE

- 1 .....  
2 .....  
3 .....  
4 .....

#### CONSENSUS

- 5 .....

## DATE OF CONSENSUS

## EFFECTIVE DATE

### SIC INTERPRETATION 25

Income taxes — changes in the tax status of an entity or its shareholders

## REFERENCES

### ISSUE

- 1 A change in the tax status of an entity or...
- 2 A change in the tax status of an entity or...
- 3 The issue is how an entity should account for the...

### CONSENSUS

- 4 A change in the tax status of an entity or...

## DATE OF CONSENSUS

## EFFECTIVE DATE

### SIC INTERPRETATION 27

Evaluating the substance of transactions involving the legal form of a lease

## REFERENCES

### ISSUE

- 1 An entity may enter into a transaction or a series...
- 2 When an arrangement with an Investor involves the legal form...

### CONSENSUS

- 3 A series of transactions that involve the legal form of...
- 4 The accounting shall reflect the substance of the arrangement. All...
- 5 IAS 17 applies when the substance of an arrangement includes...
- 6 The definitions and guidance in paragraphs 49-64 of the Framework...
- 7 Other obligations of an arrangement, including any guarantees provided and...
- 8 The requirements in IFRS 15 shall be applied to the...
- 9 The fee shall be presented in the statement of comprehensive...

### DISCLOSURE

- 10 All aspects of an arrangement that does not, in substance,...
- 11 The disclosures required in accordance with paragraph 10 of this...

## DATE OF CONSENSUS

## EFFECTIVE DATE

## SIC INTERPRETATION 29

## Service Concession Arrangements: Disclosures

## REFERENCES

## ISSUE

- 1 An entity (the operator) may enter into an arrangement with...
- 2 A service concession arrangement generally involves the grantor conveying for...
- 3 The common characteristic of all service concession arrangements is that...
- 4 The issue is what information should be disclosed in the...
- 5 Certain aspects and disclosures relating to some service concession arrangements...

## CONSENSUS

- 6 All aspects of a service concession arrangement shall be considered...
- 6A An operator shall disclose the amount of revenue and profits...
- 7 The disclosures required in accordance with paragraph 6 of this...

## DATE OF CONSENSUS

## EFFECTIVE DATE

## SIC INTERPRETATION 31

## Revenue — barter transactions involving advertising services

## REFERENCES

## ISSUE

- 1 An entity (Seller) may enter into a barter transaction to...
- 2 In some cases, no cash or other consideration is exchanged...
- 3 A seller that provides advertising services in the course of...
- 4 The issue is under what circumstances can a seller reliably...

## CONSENSUS

- 5 Revenue from a barter transaction involving advertising cannot be measured...

## DATE OF CONSENSUS

## EFFECTIVE DATE

## SIC INTERPRETATION 32

## Intangible assets — website costs

## REFERENCES

## ISSUE

- 1 An entity may incur internal expenditure on the development and...
- 2 The stages of a website's development can be described as...

- 3 Once development of a website has been completed, the Operating...
- 4 When accounting for internal expenditure on the development and operation...
- 5 This Interpretation does not apply to expenditure on purchasing, developing,...
- 6 IAS 38 does not apply to intangible assets held by...

#### CONSENSUS

- 7 An entity's own website that arises from development and is...
- 8 A website arising from development shall be recognised as an...
- 9 Any internal expenditure on the development and operation of an...
- 10 A website that is recognised as an intangible asset under...

#### DATE OF CONSENSUS

#### EFFECTIVE DATE

**Changes to legislation:**

There are currently no known outstanding effects for the Commission Regulation (EC) No 1126/2008.