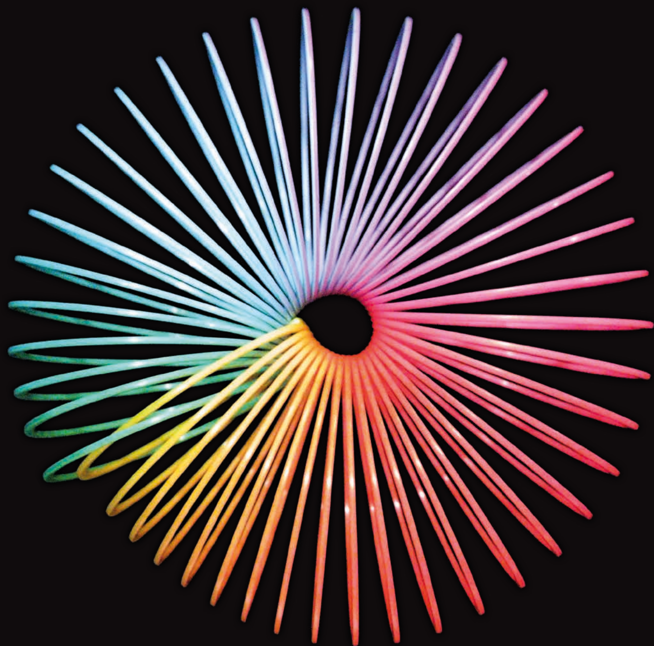
Deloitte.



IFRS in your pocket
2022

Abbreviations

ARC	Accounting Regulatory Committee
ASAF	Accounting Standards Advisory Forum
CDSB	Climate Disclosure Standards Board
DP	Discussion Paper
EC	European Commission
ED	Exposure Draft
EFRAG	European Financial Reporting Advisory Group
GAAP	Generally Accepted Accounting Principles
IAS	International Accounting Standard
IASB	International Accounting Standards Board
ISSB	International Sustainability Standards Board
IASC	International Accounting Standards Committee (predecessor to the IASB)
IFRIC	Interpretation issued by the IFRS Interpretations Committee
IFRS	International Financial Reporting Standard
IFRS Standards	All Standards and Interpretations issued by the IASB (i.e. the set comprising every IFRS, IAS, IFRIC and SIC)
PIR	Post-implementation Review
RFI	Request for Information
SEC	US Securities and Exchange Commission
SIC	Interpretation issued by the Standing Interpretations Committee of the IASC
SMEs	Small and Medium-sized Entities
VRF	Value Reporting Foundation
XBRL	Extensible Business Reporting Language
XML	Extensible Markup Language

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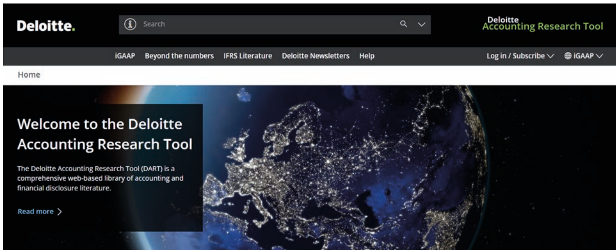
Introduction

IFRS in your pocket is a comprehensive summary of the current IFRS Standards and Interpretations along with details of the projects on the standard-setting agenda of the IASB. Backing this up is information about the IASB, the ISSB and an analysis of the use of IFRS Standards around the world. This combination has made *IFRS in your pocket* the ideal guide, update and refresher for everyone involved.

The information included in this edition of *IFRS in your pocket* reflects developments until 30 September 2022.

Deloitte Accounting Research Tool (DART)



The Deloitte Accounting Research Tool (DART) is a comprehensive online library of accounting and financial disclosure literature.

iGAAP on DART gives you quick access to:

- Deloitte's authoritative, regularly updated, practical guidance on all the IFRS Standards
- Illustrative and real-life disclosure examples to help you navigate recent changes in IFRS Standards
- Full text of IFRS Standards
- Practical issues faced by reporting entities
- Clear explanations of IFRS requirements
- Interpretation and commentary when IFRS Standards are silent, ambiguous or unclear
- Model financial statements for IFRS reporters

iGAAP deals comprehensively with IFRS Standards issued by the IASB and includes:

- iGAAP Volume A: *A guide to IFRS reporting,* which covers all IFRS Standards other than those dealing exclusively with financial instruments and insurance contracts
- iGAAP Volume B: *Financial Instruments—IFRS 9 and related Standards,* which provides guidance on the application of IFRS Standards dealing with financial instruments for entities that have adopted, or are planning to adopt, IFRS 9
- iGAAP Volume C: *Financial Instruments—IAS 39 and related Standards,* which provides guidance on the application of IFRS Standards dealing with financial instruments for entities that have not yet adopted IFRS 9

- iGAAP Volume D: *IFRS 17 Insurance Contracts,* which provides guidance on the application of IFRS 17, effective for periods beginning on or after 1 January 2023
- iGAAP Volume E: *Beyond the numbers,* which provides guidance on disclosure requirements and recommendations which businesses must consider in light of the broader environmental, social and governance matters which can significantly drive the value of an entity
- IFRS disclosures in practice, which presents real-life examples of good disclosure practice under IFRS Standards from around the world

To apply for a subscription to DART, click here to start the application process and select the iGAAP package.

For more information about DART, including pricing of subscription packages, click here.

Our IAS Plus website

Deloitte's IAS Plus (www.iasplus.com) is one of the most comprehensive sources of global financial and sustainability reporting news on the web. It is a central repository for information about IFRS Standards as well as the activities of the IASB and the ISSB. The site, which is also available in German, includes portals tailored to the United Kingdom and Canada (available in English and French), each with a focus on local GAAP and jurisdiction-specific corporate reporting requirements.

IAS Plus features:

- News about global reporting developments, presented intuitively with related news, publications, events and more, including a resource page for the newly established ISSB
- Summaries of all Standards, Interpretations and projects, with complete histories of developments and standard-setter discussions together with related news and publications
- Rich jurisdiction-specific information, including background and financial reporting requirements, links to country-specific resources, related news and publications and a comprehensive history of the adoption of IFRS Standards around the world
- Detailed personalisation of the site, which is available by selecting particular topics of interest and tailored views of the site
- Dedicated resource pages for research and education, sustainability and integrated reporting, accounting developments in Europe, global financial crisis, XBRL and Islamic accounting
- Important dates highlighted throughout the site for upcoming meetings, deadlines and more
- A library of IFRS-related publications available for download and subscription including our popular *iGAAP in Focus* newsletters and other publications

- IFRS Model Financial Statements and Presentation and Disclosure Checklists, with many versions available tailored to specific jurisdictions
- An extensive electronic library of both global and jurisdiction-specific IFRS resources
- Deloitte comment letters to the IASB, ISSB and numerous other bodies
- E-learning modules for most IFRS Standards
- Enhanced search functionality, allowing easy access to topics of interest by tags, categories or free text searches, with search results intuitively presented by category with further filtering options
- A mobile-friendly interface and updates through Twitter

IFRS Standards around the world

Most jurisdictions have reporting requirements for listed and other types of entities that include presenting financial statements that are prepared in accordance with a set of generally accepted accounting principles. IFRS Standards provide such a set of principles and are used extensively around the world.

We maintain an up-to-date summary of the adoption of IFRS Standards around the world on IAS Plus at: www.iasplus.com/en/resources/ifrs-topics/use-of-ifrs

The IFRS Foundation publishes individual jurisdictional profiles which can be found in: https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/

Europe

43[1] jurisdictions in Europe require IFRS Standards to be applied by all or most of their domestic publicly accountable entities. Switzerland permits the use of IFRS Standards.

Europe has a strong endorsement process that requires each new Standard or Interpretation, or amendment to a Standard or Interpretation, be endorsed for use in Europe. That process involves:

- Translating the Standards into all European languages
- The private-sector EFRAG giving its endorsement advice to the EC
- The EC's ARC making an endorsement recommendation
- The EC submitting the endorsement proposal to the European Parliament and to the Council of the EU

Both the parliament and the council must not oppose (or in certain circumstances must approve) endorsement within three months, otherwise the proposal is sent back to the EC for further consideration. Further information on endorsement is available from Deloitte: www.iasplus.com/en/resources/ifrs-topics/europe. The most recent status on EU endorsement of IFRS Standards can be found at: www.efrag.org/Endorsement.

In the UK, the UK Endorsement Board (UKEB) influences, endorses and adopts new or amended IFRS Standards issued by the IASB for use by UK companies. The UKEB consults publicly with stakeholders that have an interest in financial reporting in the UK so that it can develop and represent evidence-based UK views with the aim of acting as the UK voice on IFRS Standards financial reporting.

The Americas

26[1] jurisdictions in the Americas require IFRS Standards to be applied by all or most of their domestic publicly accountable entities. A further 9 jurisdictions permit or require IFRS Standards for at least some domestic publicly accountable entities.

In the United States, foreign private issuers are permitted to submit financial statements prepared using IFRS Standards as issued by the IASB without having to include a reconciliation of the IFRS figures to US GAAP. The SEC does not permit its domestic issuers to use IFRS Standards in preparing their financial statements; rather, they are required to use US GAAP.

Asia-Oceania

29[1] jurisdictions in Asia-Oceania require IFRS Standards to be applied by all or most of their domestic publicly accountable entities. A further 2 jurisdictions permit or require IFRS Standards for at least some domestic publicly accountable entities.

Africa

36[1] jurisdictions in Africa require IFRS Standards to be applied by all or most of their domestic publicly accountable entities and one permits or requires IFRS Standards for at least some domestic publicly accountable entities.

Middle East

12[1] jurisdictions in the Middle East require IFRS Standards to be applied by all or most of their domestic publicly accountable entities and one permits or requires IFRS Standards for at least some domestic publicly accountable entities.

Filing requirements

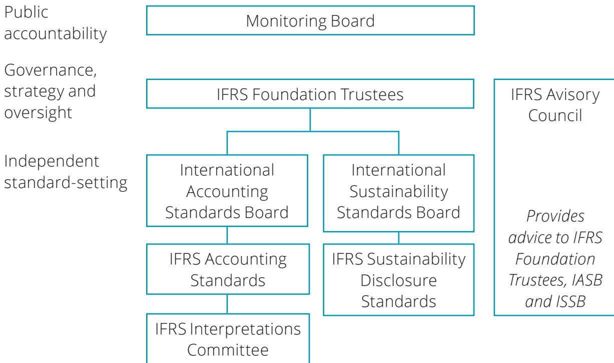
The IASB is also gathering information about the filing requirements for financial statements prepared in accordance with IFRS Standards. This includes an assessment of requirements to file electronic versions of the financial statements, and the form of those filings.

There is an increasing use of structured data filings using the XML-based language called XBRL.

More information on the IFRS Taxonomy maintained by the IASB is available at www.ifrs.org/issued-standards/ifrs-taxonomy/.

[1]Source: https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/#analysis-of-the-167-profiles: last updated July 2022

The IFRS Foundation and its Boards



There are other consultative bodies that are not displayed in this diagram that inform the work of the IASB and ISSB.

IFRS Foundation

The IFRS Foundation is the organisation that develops IFRS Standards for the public interest. It has a staff of around 160 people and has its main office in London.

Within the IFRS Foundation is the IASB, an independent body of accounting professionals that is responsible for the technical content of IFRS Accounting Standards and the ISSB, responsible for IFRS Sustainability Disclosure Standards. The staff of the IFRS Foundation support the work of the IASB and the ISSB. It has technical staff who analyse issues and help the IASB (and its interpretations body—the IFRS Interpretations Committee) as well as the ISSB to make technical decisions. Other staff provide support to adopting jurisdictions, publications, education, communications (including the website), investor relations, fundraising and administration.

International Accounting Standards Board

The IASB is a technical standard-setting body.	
Membership	The IASB has up to 14 members (currently 11). Most are full-time, so that they commit all of their time to paid employment as an IASB member. Up to three can be part-time, but they are expected to spend most of their time on IASB activities. All members of the IASB are required to commit themselves formally to acting in the public interest in all matters.

Global balance	Up to four members are appointed from each of Asia-Oceania, Europe and the Americas and one member from Africa. One additional member can be appointed from any area, subject to maintaining overall geographical balance.
Qualifications of IASB members	Members are selected to ensure that at all times the IASB has the best available combination of technical expertise and diversity of international business and market experience to develop high quality, global financial reporting standards. Members include people who have experience as auditors, preparers, users, academics and market and/or financial regulators.
Term	The maximum term is 10 years—an initial term of five years and a second term of three to five years (five years for the Chair and Vice-Chair).
Meetings	The IASB meets in public to discuss technical matters, usually each month except August.

The current members of the IASB are profiled at www.ifrs.org/groups/international-accounting-standards-board/#members.

IFRS Interpretations Committee

The IFRS Interpretations Committee is responsible for developing Interpretations of IFRS Standards	
Membership	The Committee has 14 members, appointed because of their experience with IFRS Standards. They are not paid, but the IFRS Foundation reimburses members for out-of-pocket costs.
Meetings	The Committee meets in public to consider requests to interpret IFRS Standards. It meets up to six times a year.

Interpretations	If the Committee decides that an IFRS Standard is not clear and that it should provide an interpretation of the requirements it either develops an Interpretation or, in consultation with the IASB, develops a narrow-scope amendment to the IFRS Standard. Deciding to develop an Interpretation, or amendment, means that the Committee has taken the matter onto its agenda. The development of an Interpretation follows a similar process to the development of an IFRS Standard. They are developed in public meetings and the Draft Interpretation is exposed for public comment. Once the Interpretation has been completed it must be ratified by the IASB before it can be issued. Interpretations become part of IFRS Standards, so have the same weight as any Standard.
Agenda decisions	Along with developing formal interpretations of IFRS Standards and proposing that the IASB make amendments to Standards, the IFRS Interpretations Committee regularly publishes summaries of issues that it has decided not to add to its agenda, often accompanied by a discussion of the accounting issue submitted. The IFRS Foundation has clarified that the explanatory material in the agenda decisions published by the IFRS Interpretations Committee derives its authority from the IFRS Standards themselves and, therefore, that its application is required. The IFRS Foundation Due Process Handbook also notes that it is expected that an entity would be entitled to sufficient time to make that determination and implement any necessary accounting policy change (for example, an entity may need to obtain new information or adapt its systems to implement a change). Determining how much time is sufficient to make an accounting policy change is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any change on a timely basis and, if material, consider whether disclosure related to the change is required by IFRS Standards.

Due process

The IASB and its Interpretations Committee follow a comprehensive and open due process built on the principles of transparency, full and fair consultation and accountability. The IFRS Foundation Trustees, through its Due Process Oversight Committee, is responsible for overseeing all aspects of the due process procedures of the IASB and the IFRS Interpretations Committee, and for ensuring that those procedures reflect best practice.

The IFRS Foundation's Due Process Handbook sets out the following due process requirements:

Transparency	All technical discussions are held in public (and usually via webcast) and the staff-prepared agenda papers are publicly available. The purpose of the agenda papers is to ensure that the IASB and IFRS Interpretations Committee have sufficient information to be able to make decisions based on the staff recommendations. A final Standard or Interpretation must be approved by at least 8 members if the IASB has 13 or less members or 9 members if the IASB has 14 members.

Full and fair consultation	The IASB must: • Hold a public consultation on its technical work programme every five years • Evaluate all requests received for possible interpretation or amendment of a Standard • Debate all potential standard-setting proposals in public meetings • Expose for public comment any proposed new Standard, amendment to a Standard or Interpretation • Explain its rationale for proposals in a basis for conclusions, and individual IASB members who disagree publish their alternative views • Consider all comment letters received on the proposals, which are placed on the public record, in a timely manner • Consider whether the proposals should be exposed again • Consult ASAF and the Advisory Council on the technical work programme, major projects, project proposals and work priorities • Ratify any Interpretations developed by the IFRS Interpretations Committee • Decide whether it objects to an IFRS Interpretations Committee agenda decision Additionally, the IASB must undertake the following steps, or explain why they do not consider them to be necessary for a specific project: • Publish a discussion document (for example, a DP) before specific proposals are developed • Establish a consultative group or other types of specialist advisory group • Hold public hearings • Undertake fieldwork

Accountability	An effects analysis and basis for conclusions (and dissenting views) are published with each new Standard. The IASB is committed to conducting post-implementation reviews of each new Standard or major amendment of an existing Standard.

Further information on the IASB's due process can be found at [www.ifrs.org/about-us/how-we-set-standards/.](http://www.ifrs.org/about-us/how-we-set-standards/)

Consultative bodies

Advisory groups	The IFRS Advisory Council meets twice a year. Its members give advice to the IASB on its work programme, inform the IASB of their views on major standard-setting projects and give other advice to the IASB or the Trustees. The Advisory Council has at least 30 members (and currently has 50), including a member from Deloitte. Members are appointed by the Trustees and are organisations and individuals with an interest in international financial reporting from a broad range of geographical and functional backgrounds. The Accounting Standards Advisory Forum (ASAF) meets with the IASB four times a year, in a public meeting, to discuss technical topics. It comprises a standard-setter from Africa, three from each of the Americas, Asia-Oceania and Europe and two from any area of the world at large, subject to maintaining an overall geographical balance. The ISSB will have three key advisory bodies. The Jurisdictional Working Group and the Sustainability Consultative Committee have already been established. The Sustainability Standards Advisory Forum is currently being set up.
Standing consultative groups	Capital Markets Advisory Committee (users), Global Preparers Forum (preparers), Emerging Economies Group, Islamic Finance Consultative Group, IFRS Taxonomy Consultative Group, SME Implementation Group, World Standard-setters Conference.
Transition Resource Groups (TRGs)	Created for specific new Standards
Project consultative groups	Rate Regulation, Management Commentary

International Sustainability Standards Board

The ISSB is a technical standard-setting body.	
Membership	The ISSB has 14 members. Most Board members are full-time, so that they commit all of their time to paid employment as an ISSB member. A minority of the members can be part-time, but they are expected to spend most of their time on ISSB activities. All members of the ISSB are required to commit themselves formally to acting in the public interest in all matters.
Global balance	Up to three members are appointed from each of Asia-Oceania, Europe and the Americas and one member from Africa. Four additional members can be appointed from any area, subject to maintaining overall geographical balance.
Qualifications of ISSB members	Members are selected to ensure that at all times the ISSB has the best available combination of technical expertise and diversity of international business and market experience to develop high quality, global sustainability reporting standards. Members include people who have experience as auditors, preparers, users, academics and market and/or financial regulators. Collectively, ISSB members are expected to demonstrate expert knowledge, relevant industry expertise in sustainability reporting and share practical, relevant and up-to-date experience of sustainability reporting so that the ISSB as a group can contribute to the development of high-quality, global sustainability disclosure standards.
Term	The maximum term is 10 years—an initial term of five years and a second term of three to five years (five years for the Chair and Vice-Chairs).
Meetings	The ISSB meets in public to discuss technical matters, usually each month except August.

The ISSB currently does not have an interpretations committee.

Due process

The transparent due process practices of the IFRS Foundation were a critical factor in stakeholders' support for establishing the ISSB under the IFRS Foundation, and stakeholders noted that the ISSB's due process should largely be based on that of the IASB, but not necessarily identical. However, the IFRS Foundation has stated that the ISSB would need to be clear about the reason for any differences.

Until such time as the IFRS Foundation's Due Process Handbook is revised to reflect the process and practices of the ISSB, its due process is expected to reflect the same principles as for the IASB (see above).

Consultative bodies

The ISSB will draw upon expertise from several advisory groups. Technical advice on sustainability matters will be provided to the ISSB by the new Sustainability Consultative Committee, whose members will include the International Monetary Fund, the Organisation for Economic Co-operation and Development, the United Nations, the World Bank and additional expert members drawn from public, private and non-governmental organisations.

The remit and expertise of the IFRS Advisory Council will be extended to provide strategic sustainability-related advice and counsel to the ISSB, as well as the Trustees and the IASB. Finally, the Trustees have formed a working group to create a mechanism for formal engagement on standard-setting between the ISSB and jurisdictional representatives, including from emerging markets (similar to the Accounting Standards Advisory Forum, which fulfils this role for the IASB).

The announcement of the ISSB also included a commitment by the leading international sustainability standard-setters Climate Disclosure Standards Board (CDSB) and Value Reporting Foundation (VRF) to consolidate into the IFRS Foundation. These consolidations have now been completed. The IFRS Foundation intends to leverage the existing CDSB and VRF advisory groups, which include investors and other experts who have demonstrated long-standing support for improved sustainability disclosure. As well, the World Economic Forum's private sector coalition will be engaged. The IFRS Foundation also intends to use the International Integrated Reporting Council, which is a body of VRF, to provide advice on establishing connectivity between the work of the IASB and the ISSB via the fundamental concepts and guiding principles of integrated reporting.

Governance

Monitoring Board

The Monitoring Board provides formal interaction between capital markets authorities and the IFRS Foundation. It provides public accountability of the IFRS Foundation through a formal reporting line from the Trustees of the IFRS Foundation to the Monitoring Board.

Responsibilities	• Approves the appointment of the Trustees • Reviews the adequacy and appropriateness of Trustee arrangements for financing the IASB • Reviews the Trustees' oversight of the IASB's standard-setting process, particularly with respect to its due process arrangements • Confers with the Trustees regarding the responsibilities pertinent to the IFRS Foundation's oversight to the IASB, particularly in relation to the regulatory, legal and policy developments • Can refer matters of broad public interest related to financial reporting to the IASB through the IFRS Foundation
Membership	The Monitoring Board currently comprises representatives of the Board of the International Organization of Securities Commissions (IOSCO), the IOSCO Growth and Emerging Markets Committee, the Brazilian Securities Commission (CVM), the Ministry of Finance of the People's Republic of China, the European Commission (EC), the Financial Services Agency of Japan (JFSA), the US Securities and Exchange Commission (SEC) and the Financial Services Commission of Korea (FSC). There are non-voting observers from the Basel Committee on Banking Supervision, the IOSCO Africa and Middle-East Regional Committee and the IOSCO European Regional Committee.

Trustees of the IFRS Foundation

The IFRS Foundation's governing body is the **Trustees of the IFRS Foundation.**

Responsibilities	• Appoint members of the IASB, the ISSB, the IFRS Interpretations Committee and the IFRS Advisory Council • Establish and amend the operating procedures, consultative arrangements and due process for the IASB, the ISSB, the IFRS Interpretations Committee and the IFRS Advisory Council • Review annually the strategy of the IASB and the ISSB, and assess its effectiveness • Ensure the financing of the IFRS Foundation and approve its budget annually • The Trustees ensure that the IASB and ISSB develop IFRS Standards in accordance with the IFRS Foundation due process requirements, through the Trustee Due Process Oversight Committee.
Membership	There are 22 Trustees, each being appointed for a three-year term, renewable once. The exception is that a trustee can be appointed to serve as Chair or Vice-Chair for a term of three years, renewable once, provided that the total period of service does not exceed nine years. Trustees are selected to provide a balance of people from senior professional backgrounds who have an interest in promoting and maintaining transparency in corporate reporting globally. To maintain a geographical balance, six trustees are appointed from each of Asia-Oceania, Europe and the Americas, one Trustee is appointed from Africa and three Trustees are appointed from any area, subject to maintaining the overall geographical balance.

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Standards, Interpretations and Practice Statements

The IASB was established in 2001, replacing the IASC. The IASC produced Standards called International Accounting Standards (IAS Standards) and its Interpretations were called SIC Interpretations. One of the first actions of the IASB was to adopt all of the IASC's IAS Standards and SIC Interpretations as its own. At the same time, the IASB started to develop new Standards and Interpretations, calling each new Standard an IFRS Standard and each Interpretation an IFRIC Interpretation.

IFRS 1 *First-time Adoption of International Financial Reporting Standards* defines IFRS as all of the Standards and Interpretations adopted or issued by the IASB (IASs, IFRSs, SICs and IFRICs). The IASB refers to the collective set as IFRS Standards. All of the individual requirements have equal authority.

When the IASB amends or issues new Standards it provides a period of transition before the new requirements are mandatory, but generally allows entities to apply the new requirements before the mandatory date. The effect is that there is sometimes a choice of requirements available to entities. For example, an entity could continue to apply IFRS 4 *Insurance Contracts* in periods beginning 1 January 2022 or it could elect to apply IFRS 17 *Insurance Contracts.*

The IASB produces two volumes of Standards and Interpretations – the Blue and Red Books.

Blue Book	The Standards and Interpretations that an entity would apply if it elected not to apply any new requirements before the mandatory date. This volume does not include the versions of Standards or Interpretations that have an effective date after 1 January of that year. For example, the 2022 volume includes IFRS 4 *Insurance Contracts*, but not IFRS 17 *Insurance Contracts.*
Red Book	The Standards and Interpretations that an entity would apply if they applied all of the new requirements earlier than required. This volume does not include the versions of Standards or Interpretations that those new requirements are replacing. For example, the 2022 volume includes IFRS 17 *Insurance Contracts,* but not IFRS 4 *Insurance Contracts.*
The IASB also produces annotated versions of these volumes that reproduce the agenda decisions issued by the IFRS Interpretations Committee and cross-references to the basis for conclusions and related Standards or Interpretations	

Unaccompanied Standards and Interpretations are available on the IFRS Foundation website: www.ifrs.org/issued-standards/list-of-standards/. The versions are a mixture of extracts from the Blue and Red Books and are updated at the beginning of each calendar year.

The non-mandatory implementation and illustrative guidance and bases for conclusions that accompany the Standards and Interpretations are not freely available. IASB pronouncements and publications can be purchased in printed and electronic formats from the IFRS Foundation.

IFRS Foundation Publications department orders and enquiries:

Telephone: +44 (0) 20 7332 2730 | Fax: +44 (0) 20 7332 2749

Website: shop.ifrs.org | e-mail: publications@ifrs.org

In the sections that follow, we have summarised the requirements of the Standards and Interpretations on issue at 1 January 2022, reflecting also amendments to these Standards and Interpretations up to that date. These summaries are intended as general information and are not a substitute for reading the entire Standard or Interpretation.

Preface to International Financial Reporting Standards
Covers, among other things, the objectives of the IASB, the scope of IFRS Standards, due process for developing Standards and Interpretations, equal status of 'bold type' and 'plain type' paragraphs, policy on effective dates and use of English as the official language.

	Conceptual Framework for Financial Reporting
Overview	Describes the objective of, and the concepts for, general purpose financial reporting.
Purpose and status	Assists the IASB to develop Standards that are based on consistent concepts; preparers to develop consistent accounting policies when no Standard applies to a particular transaction or other event, or when a Standard allows a choice of accounting policy; and all parties to understand and interpret the Standards. It is not a Standard and sits outside of IFRS Standards. Nothing in the *Framework* overrides any Standard or any requirement in a Standard.
The Objective of General Purpose Financial Reporting	The objective of general purpose financial reporting is to provide financial information about the reporting entity that is useful to existing and potential investors, lenders and other creditors in making decisions relating to providing resources to the entity. Those decisions include buying, selling or holding equity and debt instruments, providing or settling loans and other forms of credit, exercising rights to vote on, or otherwise influence, management. General purpose financial reports provide information about the resources of, and claims against, an entity and the effects of transactions and other events on those resources and claims.
Qualitative Characteristics of Useful Financial Information	For financial information to be useful, it needs to meet the qualitative characteristics set out in the *Framework*. The fundamental qualitative characteristics are relevance and faithful representation.

	Financial reports represent economic phenomena in words and numbers. To be useful, financial information must not only represent relevant phenomena, but it must also faithfully represent the substance of the phenomena that it purports to represent. Faithful representation means the information must be complete, neutral and free from error. Neutrality is supported by exercising caution when making judgements under conditions of uncertainty, which is referred to in the *Framework* as prudence. Such prudence does not imply a need for asymmetry, for example, a systematic need for more persuasive evidence to support the recognition of assets or income than the recognition of liabilities or expenses. Such asymmetry is not a qualitative characteristic of useful financial information. Financial information is also more useful if it is comparable, verifiable, timely and understandable.
Financial Statements and the Reporting Entity	Financial statements are prepared from the perspective of an entity as a whole, rather than from the perspective of any particular group of investors, lenders or other creditors (the entity perspective). Financial statements are prepared on the assumption that the reporting entity is a going concern and will continue in operation for the foreseeable future. A reporting entity is an entity that chooses, or is required, to prepare financial statements. Obvious examples include a single legal structure, such as an incorporated entity, and a group comprising a parent and its subsidiaries. A reporting entity need not be a legal entity, although this makes it more difficult to establish clear boundaries when it is not a legal entity, or a parent-subsidiary group. When a reporting entity is not a legal entity, the boundary should be set by focusing on the information needs of the primary users. A reporting entity could also be a portion of a legal entity, such as a branch or the activities within a defined region. The *Framework* acknowledges combined financial statements. These are financial statements prepared by a reporting entity comprising two or more entities that are not linked by a parent-subsidiary relationship. However, the *Framework* does not discuss when or how to prepare them.

The Elements of Financial Statements	An asset is a present economic resource controlled by the entity as a result of past events. An economic resource is a set of rights—the right to use, sell, or pledge the object, as well as other undefined rights. In principle, each right could be a separate asset. However, related rights will most commonly be viewed collectively as a single asset that forms a single unit of account. Control links a right to an entity and is the present ability to direct how a resource is used so as to obtain the economic benefits from that resource (power and benefits). An economic resource can be controlled by only one party at any point in time. A liability is a present obligation of the entity to transfer an economic resource as a result of past events. An obligation is a duty or responsibility that an entity has no practical ability to avoid. An entity may have no practical ability to avoid a transfer if any action that it could take to avoid the transfer would have economic consequences significantly more adverse than the transfer itself. The going concern basis implies that an entity has no practical ability to avoid a transfer that could be avoided only by liquidating the entity or by ceasing to trade. If new legislation is enacted, a present obligation arises only when an entity obtains economic benefits, or takes an action, within the scope of that legislation. The enactment of legislation is not in itself sufficient to give an entity a present obligation. The focus is on the existence of an asset or liability. It does not need to be certain, or even likely that the asset will produce (or the obligation will require an entity to transfer) economic benefits. It is only necessary that in at least one circumstance it would produce (or require an entity to transfer) economic benefits, however remote that occurrence might be. The unit of account is the right or the group of rights, the obligation or the group of obligations, or the group of rights and obligations, to which recognition criteria and measurement concepts are applied.

	The unit of account, recognition and measurement requirements for a particular item are linked and the IASB will consider these aspects together when developing Standards. It is possible that the unit of account for recognition will differ from that used for measurement for a particular matter—e.g. a Standard might require contracts to be recognised individually but measured as part of a portfolio. Equity is the residual interest in the assets of the entity after deducting all its liabilities. Income is increases in assets, or decreases in liabilities, that result in increases in equity, other than those relating to contributions from holders of equity claims. Expenses are decreases in assets, or increases in liabilities, that result in decreases in equity, other than those relating to distributions to holders of equity claims.
Recognition and Derecognition	Recognition is the process of capturing for inclusion in the statement of financial position or the statement(s) of financial performance an item that meets the definition of one of the elements of financial statements—an asset, a liability, equity, income or expenses. The *Framework* requires recognition when this provides users of financial statements with relevant information and a faithful representation of the underlying transaction. The recognition criteria do not include a probability or a reliable measurement threshold. Uncertainty about the existence of an asset or liability or a low probability of a flow of economic benefits are circumstances when recognition of a particular asset or liability might not provide relevant information. There is also a trade-off between a more relevant measure that has a high level of estimation uncertainty and a less relevant measure that has lower estimation uncertainty. Some uncertainties could lead to more supplementary information being required. In limited circumstances the measurement uncertainty associated with all relevant measures could lead to the IASB concluding that the asset or liability should not be recognised.

	Derecognition is the removal of all or part of a recognised asset or liability from an entity's statement of financial position and normally occurs when that item no longer meets the definition of an asset or of a liability. The derecognition principles aim to represent faithfully any assets and liabilities retained, and any changes in the entity's assets and liabilities, as a result of that transaction. Sometimes an entity will dispose of only part of an asset or a liability, or retain some exposure. The *Framework* sets out the factors that the IASB should consider when assessing whether full derecognition is achieved, when derecognition supported by disclosure is necessary and when it might be necessary for an entity to continue to recognise the transferred component.
Measurement	Describes two measurement bases: historical cost and current value. It asserts that both bases can provide predictive and confirmatory value to users but one basis might provide more useful information than the other under different circumstances. Historical cost reflects the price of the transaction or other event that gave rise to the related asset, liability, income or expense. A current value measurement reflects conditions at the measurement date. Current value includes fair value, value in use (for assets) and fulfilment value (for liabilities), and current cost. In selecting a measurement basis it is important to consider the nature of the information that the measurement basis will produce in both the statement of financial position and the statement of financial performance. The relative importance of the information presented in these statements will depend on facts and circumstances. The characteristics of the asset or liability and how it contributes to future cash flows are two of the factors that the IASB will consider when it decides which measurement basis provides relevant information. For example, if an asset is sensitive to market factors, fair value might provide more relevant information than historical cost. However, depending on the nature of the entity's business activities, and thus how the asset is expected to contribute to future cash flows, fair value might not provide relevant information. This could be the case if the entity holds the asset solely for use or to collect contractual cash flows rather than for sale.

	A high level of measurement uncertainty does not render a particular measurement basis irrelevant. However, as explained in the recognition section, there can be a trade-off between relevance and faithful representation. The *Framework* does not preclude the use of different measurement bases for an asset or a liability in the statement of financial position and the related income and expenses in the statement of financial performance. However, it notes that in most cases, using the same measurement basis in both statements would provide the most useful information. It would be normal for the IASB to select the same measurement basis for the initial measurement of an asset or a liability that will be used for its subsequent measurement, to avoid recognising a 'day-2 gain or loss' due solely to a change in measurement basis.
Presentation and Disclosure	Presentation and disclosure objectives in Standards can support effective communication. The *Framework* requires the IASB to consider the balance between giving entities the flexibility to provide relevant information and requiring information that is comparable. The statement of profit or loss is the primary source of information about an entity's financial performance for the reporting period. The *Framework* presumes that all income and expenses are presented in profit or loss. Only in exceptional circumstances will the IASB decide to exclude an item of income or expense from profit or loss and include it in OCI (other comprehensive income), and only for income or expenses that arise from a change in the current value of an asset or liability. The *Framework* also presumes that items presented in OCI will eventually be reclassified from OCI to profit or loss, but reclassification must provide more relevant information than not reclassifying the amounts.

Concepts of Capital and Capital Maintenance	Sets out some high-level concepts of physical and financial capital. This chapter has been carried forward unchanged from the 2010 *Framework* (which, in turn, was carried forward from the 1989 *Framework*).
Changes effective this year	None
Pending changes	None

List of Standards, Interpretations and Practice Statements

Standards

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 2	Share-based Payment
IFRS 3	Business Combinations
IFRS 4	Insurance Contracts
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 6	Exploration for and Evaluation of Mineral Resources
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases
IFRS 17	Insurance Contracts
IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits

IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 26	Accounting and Reporting by Retirement Benefit Plans
IAS 27	Separate Financial Statements
IAS 28	Investments in Associates and Joint Ventures
IAS 29	Financial Reporting in Hyperinflationary Economies
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IAS 40	Investment Property
IAS 41	Agriculture

Interpretations

IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IFRIC 6	Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment
IFRIC 7	Applying the Restatement Approach under IAS 29 *Financial Reporting in Hyperinflationary Economies*
IFRIC 10	Interim Financial Reporting and Impairment
IFRIC 12	Service Concession Arrangements

IFRIC 14	IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
IFRIC 21	Levies
IFRIC 22	Foreign Currency Transactions and Advance Consideration
IFRIC 23	Uncertainty over Income Tax Treatments
SIC-7	Introduction of the Euro
SIC-10	Government Assistance—No Specific Relation to Operating Activities
SIC-25	Income Taxes—Changes in the Tax Status of an Entity or its Shareholders
SIC-29	Service Concession Arrangements: Disclosures
SIC-32	Intangible Assets—Web Site Costs

Practice Statements

PS 1	Management Commentary
PS 2	Making Materiality Judgements

New requirements for annual periods beginning on or after 1 January 2022

The following new requirements took effect for annual periods beginning on or after 1 January 2022.

Amendments

IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
IAS 37	Onerous Contracts—Costs of Fulfilling a Contract
IAS 41	Taxation in Fair Value Measurements*
IFRS 1	Subsidiary as a First-time Adopter*
IFRS 3	Reference to the *Conceptual Framework*
IFRS 9	Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

* issued as part of the *Annual Improvements to IFRS Standards 2018-2020*

New requirements for annual periods beginning on or after 1 January 2023

Standard

IFRS 17	Insurance Contracts (including *Amendments to IFRS 17* and *Initial Application of IFRS 17 and IFRS 9—Comparative Information)*

Amendments

IAS 1	Classification of Liabilities as Current or Non-Current (including *Deferral of Effective Date*)
IAS 1	Disclosure of Accounting Policies
IAS 8	Definition of Accounting Estimates
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Further information on the effective dates of Standards, amendments to Standards and Interpretations can be found at www.iasplus.com/en/standards/effective-dates/effective-ifrs.

Summaries of Standards, Interpretations and Practice Statements in effect at 1 January 2022

This section contains the Standards and Interpretations that an entity preparing financial statements for annual periods beginning on 1 January 2022 would apply if it elected not to apply any new requirements before the mandatory date.

New Standards often include consequential amendments to other Standards. In the summaries, only significant consequential amendments are identified as new or pending changes.

IFRS 1	***First-time Adoption of International Financial Reporting Standards***
Overview	Sets out the procedures when an entity adopts IFRS Standards for the first time as the basis for preparing its general purpose financial statements.
Selection of accounting policies	An entity that adopts IFRS Standards for the first time (by an explicit and unreserved statement of compliance with IFRS Standards) in its annual financial statements for the year ended 31 December 2022 would be required to select accounting policies based on IFRS Standards effective at 31 December 2022 (with the early application of any new IFRS Standard not yet mandatory being permitted).
Presentation of financial statements	The entity presents an opening statement of financial position that is prepared at 1 January 2021. That opening statement of financial position is the entity's first IFRS financial statements. Therefore, at least, three statements of financial position are presented. A first-time adopter can report selected financial data on an IFRS basis for periods prior to 2021. As long as they do not purport to be full financial statements, the opening IFRS statement of financial position would still be 1 January 2021. The opening statement of financial position, the financial statements for the 2022 financial year and the comparative information for 2021 are prepared as if the entity had always used the IFRS accounting policies it has selected. However, IFRS 1 contains some exceptions and relief from full retrospective application that an entity can elect to apply.

Interpretations	None
Changes effective this year	In May 2020, the IASB issued *Annual Improvements to IFRS Standards 2018-2020.* As part of these annual improvements, the IASB amended IFRS 1. IFRS 1:D16(a) allows subsidiaries that become a first-time adopter later than its parent to measure its assets and liabilities at the carrying amounts that would be included in the parent's consolidated financial statements. The amendment extends this relief to the cumulative translation differences for all foreign operations. For those, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted.
Pending changes	None

IFRS 2	***Share-based Payment***
Overview	Sets out the accounting for transactions in which an entity receives or acquires goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of its shares or other equity instruments.
Share-based payments	All share-based payment transactions are recognised in the financial statements, using a fair value measurement basis. An expense is recognised when the goods or services received are consumed (including transactions for which the entity cannot specifically identify some or all of the goods or services received).
Fair value	Transactions in which goods or services are received are measured at the fair value of the goods or services received. However, if the fair value of the goods or services cannot be measured reliably, the fair value of the equity instruments is used. Transactions with employees and others providing similar services are measured at the fair value of the equity instruments granted, because it is typically not possible to estimate reliably the fair value of employee services received. Fair value is defined as the "amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction." Because this definition differs from that in IFRS 13, the specific guidance in IFRS 2 is followed.
Measurement date	The fair value of the equity instruments granted (such as transactions with employees) is estimated at grant date, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. The fair value of the goods or services received is estimated at the date of receipt of those goods or services.
Equity-settled share-based payments	Equity-settled share-based payment transactions are recorded by recognising an increase in equity and the corresponding goods or services received at the measurement date.

Cash-settled share-based payments	A cash-settled share-based payment transaction is a share-based payment transaction in which the entity acquires goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price (or value) of equity instruments (including shares or share options) of the entity or another group entity. Cash-settled share-based payment transactions are recorded by recognising a liability and the corresponding goods or services received at fair value at the measurement date. Until the liability is settled, it is measured at the fair value at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.
Vesting conditions	IFRS 2 uses the notion of vesting conditions for service conditions and performance conditions only. If a condition does not meet the definition of these two types of conditions but nevertheless needs to be satisfied for the counterparty to become entitled to the equity instruments granted, this condition is called a non-vesting condition. A service condition requires the counterparty to complete a specified period of service to the entity. Performance conditions require the completion of a specified period of service and specified performance targets to be met that are defined by reference to the entity's own operations or activities (non-market conditions) or the price of the entity's equity instruments (market conditions). The period for achieving the performance target must not extend beyond the end of the service period. When determining the grant date fair value of the equity instruments granted, the vesting conditions (other than market conditions) are not taken into account. However, they are taken into account subsequently by adjusting the number of equity instruments included in the measurement of the transaction. Market-based vesting conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or options at the relevant measurement date, with no subsequent adjustments made in respect of such conditions.
Group transactions	IFRS 2 includes specific guidance on the accounting for share-based payment transactions among group entities.

Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS 3	*Business Combinations*
Overview	An acquirer of a business recognises the assets acquired and liabilities assumed at their acquisition-date fair values and discloses information that enables users to evaluate the nature and financial effects of the acquisition.
Business combination	A business combination is a transaction or event in which an acquirer obtains control of one or more businesses. A business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities
Recognition of assets and liabilities	The acquisition method is used for all business combinations. The acquirer recognises the identifiable assets acquired, the liabilities assumed and any non-controlling interest (NCI) in the acquiree. Intangible assets, including in-process research and development, acquired in a business combination are recognised separately from goodwill if they arise as a result of contractual or legal rights, or if they are separable from the business. In these circumstances the recognition criteria are always considered to be satisfied (see also IAS 38).
Measurement	Assets and liabilities are measured at their fair values (with a limited number of specified exceptions) at the date the entity obtains control of the acquiree. If the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the combination is accounted for using provisional values. Adjustments to provisional values relating to facts and circumstances that existed at the acquisition date are permitted within one year. The acquirer can elect to measure the components of NCI in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in liquidation either at fair value or at the NCI's proportionate share of the net assets.

Contingent consideration	Among the items recognised will be the acquisition-date fair value of contingent consideration. Changes to contingent consideration resulting from events after the acquisition date are recognised in profit or loss.
Goodwill and bargain purchases	If the consideration transferred exceeds the net of the assets, liabilities and NCI, that excess is recognised as goodwill. If the consideration is lower than the net assets acquired, a bargain purchase is recognised in profit or loss.
Acquisition costs	All acquisition-related costs (e.g. finder's fees, professional or consulting fees, costs of internal acquisition department) are recognised in profit or loss except for costs to issue debt or equity, which are recognised in accordance with IFRS 9 and IAS 32.
Business combinations achieved in stages	If the acquirer increases an existing equity interest so as to achieve control of the acquiree, the previously-held equity interest is remeasured at acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.
Other guidance	IFRS 3 includes guidance on business combinations achieved without the transfer of consideration, reverse acquisitions, identifying intangible assets acquired, un-replaced and voluntarily replaced share-based payment awards, pre-existing relationships between the acquirer and the acquiree (e.g. reacquired rights); and the reassessment of the acquiree's contractual arrangements at the acquisition date.
Interpretations	None
Changes effective this year	In May 2020, the IASB issued *Reference to the Conceptual Framework (Amendments to IFRS 3).* These amendments: • Update IFRS 3 so that it refers to the 2018 *Conceptual Framework* instead of the 1989 *Framework* • Add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the *Conceptual Framework*) to identify the liabilities it has assumed in a business combination • Add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination

Pending changes	In March 2020, the IASB published DP/2020/1 *Business Combinations—Disclosures, Goodwill and Impairment.* In the DP, the IASB is proposing to develop enhanced disclosure requirements to improve the information entities provide to investors about the businesses those entities buy. This includes proposals to require entities to disclose management's objectives for acquisitions in the year of acquisition and how acquisitions have performed against those objectives in subsequent periods. The IASB is also proposing that amortisation of goodwill should not be reintroduced. To simplify the impairment test, the IASB's view is that amendments should be proposed to provide relief from the annual impairment test of cash-generating units containing goodwill if there are no impairment indicators and simplify how value in use is estimated. In November 2020, the IASB issued DP/2020/2 *Business Combinations under Common Control.* The DP examines how to account for business combinations in which all of the combining businesses are ultimately controlled by the same party, both before and after the combination.

IFRS 4	***Insurance Contracts***
Overview	Prescribes the financial reporting for insurance contracts put in place pending the application of IFRS 17.
Recognition and measurement	This Standard applies to insurance contracts that an entity issues. Insurers are exempted from applying the *Conceptual Framework* and some Standards. Catastrophe reserves and equalisation provisions are prohibited. The Standard requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets. Insurance liabilities may not be offset against related reinsurance assets. Accounting policy changes are restricted. Some disclosures are required.
Financial guarantees	Financial guarantee contracts are outside the scope of IFRS 4 unless the issuer had previously (prior to initial adoption of IFRS 4) asserted explicitly that it regards such contracts as insurance contracts and has used accounting applicable to insurance contracts. In such circumstances, the issuer may elect to apply either IAS 32, IFRS 7 and IFRS 9 or IFRS 4, on a contract-by-contract basis. The election is irrevocable.
Interpretations	None
Changes effective this year	None
Pending changes	In June 2020, the IASB deferred the effective date of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. As a consequence, the IASB extended the expiry date in IFRS 4 for the temporary exemption from IFRS 9 by two years to annual periods beginning on or after 1 January 2023. The extension maintains the alignment between the expiry date of the temporary exemption and the effective date of IFRS 17. IFRS 4 will be superseded upon application of IFRS 17, which is effective for annual periods beginning on or after 1 January 2023. Until IFRS 17 comes into effect, IFRS 4 provides special concessions in relation to the application of IFRS 9.

IFRS 5	***Non-current Assets Held for Sale and Discontinued Operations***
Overview	Sets out the accounting for non-current assets held for sale and the presentation and disclosure of discontinued operations.
Non-current assets held for sale	Non-current assets are 'held for sale' either individually or as part of a disposal group when the entity has the intention to sell them, they are available for immediate sale and disposal within 12 months is highly probable. A disposal group is a group of assets to be disposed of in a single transaction, including any related liabilities that will also be transferred. Assets and liabilities of a subsidiary are classified as held for sale if the parent is committed to a plan involving loss of control of the subsidiary, regardless of whether the entity will retain a non-controlling interest after the sale. IFRS 5 applies to a non-current asset (or disposal group) that is classified as held for distribution to owners.
Discontinued operations	A discontinued operation is a component of an entity that has either been disposed of or is classified as held for sale. It must represent a separate major line of business or major geographical area of operations, be part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.
Measurement	Non-current assets 'held for sale' are measured at the lower of the carrying amount and fair value less costs to sell (or costs to distribute). The non-current assets are no longer depreciated. Immediately before the initial classification of the asset (or disposal group) as held for sale, the carrying amounts of the assets (or all the assets and liabilities in the group) are measured in accordance with applicable IFRS Standards.
Statement of comprehensive income	When there are discontinued operations, the statement of comprehensive income is divided into continuing and discontinued operations. The sum of the post-tax profit or loss from discontinued operations for the period and the post-tax gain or loss arising on the disposal of discontinued operations (or on their reclassification as held for sale) is presented as a single amount.

Statement of financial position	Non-current assets, and the assets and liabilities in a disposal group, are presented separately in the statement of financial position.
Relationship with other Standards	IFRS 5 has its own disclosure requirements. Consequently, disclosures in other Standards do not apply to such assets (or disposal groups) unless those Standards specifically require disclosures or the disclosures relate to the measurement of assets or liabilities within a disposal group that are outside the scope of the measurement requirements of IFRS 5.
Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS 6	***Exploration for and Evaluation of Mineral Resources***
Overview	Prescribes the financial reporting for the exploration for and evaluation of mineral resources until the IASB completes a comprehensive project in this area.
Continued use of existing policies	An entity can continue to use its existing accounting policies provided that they result in information that is reliable and is relevant to the economic decision-making needs of users. It does not require or prohibit any specific accounting policies for the recognition and measurement of exploration and evaluation assets. The Standard gives a temporary exemption from applying IAS 8:11-12— which specify a hierarchy of sources of authoritative guidance in the absence of a specific IFRS Standard.
Impairment	Exploration and evaluation assets must be assessed for impairment when there is an indication that their carrying amount exceeds their recoverable amount. Exploration and evaluation assets must also be tested for impairment before they are reclassified as development assets. IFRS 6 allows impairment to be assessed at a level higher than the 'cash-generating unit' under IAS 36, but requires measurement of the impairment in accordance with IAS 36 once it is assessed.
Disclosure	IFRS 6 requires disclosure of information that identifies and explains amounts arising from exploration and evaluation of mineral resources.
Interpretations	None
Changes effective this year	None
Pending changes	The IASB is exploring whether to develop requirements or guidance to improve the disclosure objectives and requirements in IFRS 6 relating to an entity's exploration and evaluation expenditure and activities. The IASB is also exploring whether to remove the temporary status of IFRS 6.

IFRS 7	***Financial Instruments: Disclosures***
Overview	Prescribes disclosures to help the primary users of the financial statements evaluate the significance of financial instruments to the entity, the nature and extent of their risks and how the entity manages those risks.
Significance of financial instruments	Requires disclosure of information about the significance of financial instruments to an entity's financial position and performance, including its accounting policies and application of hedge accounting.
Financial position	Entities must disclose information about financial assets and financial liabilities by category; special disclosures when the fair value option or fair value through OCI option is used; reclassifications; offsetting of financial assets and liabilities; collateral; allowance accounts; compound financial instruments with embedded derivatives; defaults and breaches and transfers of financial assets.
Financial performance	Information must be disclosed about financial instruments-related recognised income, expenses, gains and losses; interest income and expense; fee income; and impairment losses.
Other disclosures	The significant accounting policies on financial instruments must be disclosed. When hedge accounting is applied, extensive information about the risk management strategy, the amount, timing and uncertainty of future cash flows and the effects of hedge accounting on financial position and performance must be disclosed. This information is required regardless of whether an entity has applied hedge accounting in accordance with IAS 39 or IFRS 9. Fair values must be disclosed for each class of financial instrument and IFRS 13 also requires information to be disclosed about the fair values.
Risk	Entities must disclose the nature and extent of risks arising from financial instruments. This includes qualitative information about exposures to each class of risk and how those risks are managed and quantitative information about exposures to each class of risk. Extensive disclosures are required for credit risk to assess expected credit losses. This includes reconciliations of the loss allowance and gross carrying amounts and information about credit quality. Additional disclosure requirements relate to liquidity risk and market risk (including sensitivity analyses for market risk).

Interpretations	None
Changes effective this year	None
Pending changes	In November 2021, the IASB issued ED/2021/10 *Supplier Finance Arrangements (Proposed amendments to IAS 7 and IFRS 7),* which proposes to amend IFRS 7 to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

IFRS 8	***Operating Segments***
Overview	Requires entities to disclose segmental information that is consistent with how it is reported internally to the chief operating decision maker.
Scope	This Standard applies only to entities with debt or equity instruments traded in a public market or is in the process of issuing instruments in a public market.
Operating segments	An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available. Generally, separate information is required if the revenue, profit or loss, or assets of a segment are 10 per cent or more of the equivalent total for all of the operating segments. At least 75 per cent of the entity's revenue must be included in reportable segments.
Disclosure	A measure of profit or loss and a measure of total assets and liabilities must be presented for each reportable segment. Additional measures such as revenue from external customers, interest revenue and expense, depreciation and amortisation expense and tax is required to be presented if they are included in the measure of profit or loss reviewed by the chief operating decision maker or provided to them separately. The segment information needs not be prepared in conformity with the accounting policies adopted for the entity's financial statements.
Entity-wide disclosures	Some entity-wide disclosures are required even when an entity has only one reportable segment. These include information about each product and service or groups of products and services, geographical areas, major customers (10 per cent or more of the entity's revenue) and judgements made by management in applying the aggregation criteria for operating segments. Analyses of revenues and some non-current assets by geographical area are required from all entities—with an expanded requirement to disclose revenues/non-current assets by individual foreign country (if material), irrespective of how the entity is organised.

Reconciliation	A reconciliation of the total assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision maker.
Interpretations	None
Changes effective this year	None
Pending changes	A project on operating segments has been added to the IASB's reserve list. This project will aim to research the underlying causes of users' concerns about the granularity of segment information that entities provide and the feasibility (including costs to preparers) of potential solutions that could be implemented without reconsidering whether to use the management approach to determine an entity's operating segments. Projects on the reserve list will be added to the work plan if, and only if, additional capacity becomes available before the IASB's next five-yearly agenda consultation.

IFRS 9	***Financial Instruments***
Overview	Sets out requirements for recognition and measurement of financial instruments, including impairment, derecognition and general hedge accounting.
Initial measurement	All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs.
Equity investments	Equity investments held are measured at fair value. Changes in the fair value are recognised in profit or loss (FVTPL). However, if an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to recognise the fair value changes in OCI (FVTOCI) with only dividend income recognised in profit or loss. There is no reclassification to profit or loss on disposal. The impairment requirements do not apply to equity instruments.
Classification of financial assets	Financial assets with contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding (the contractual cash flows test) are classified according to the objective of the business model of the entity. If the objective is to hold the financial assets to collect the contractual cash flows, they are measured at amortised cost, unless the entity applies the fair value option. Interest revenue is calculated by applying the effective interest rate to the amortised cost (which is the gross carrying amount minus any loss allowance) for credit-impaired financial assets while for all other instruments, it is calculated based on the gross carrying amount. If the objective is to both collect contractual cash flows and sell financial assets, they are measured at FVTOCI (with reclassification to profit or loss on disposal), unless the entity applies the fair value option. All other financial assets must be measured at fair value through profit or loss (FVTPL).

Fair value option	An entity may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
Financial liabilities	Financial liabilities held for trading are measured at FVTPL. All other financial liabilities are measured at amortised cost unless the fair value option is applied. The fair value option can be elected at initial recognition if doing so eliminates or significantly reduces an accounting mismatch. In addition, financial liabilities can be designated as at FVTPL if a group of financial instruments is managed on a fair value basis or if the designation is made in relation to embedded derivatives that would otherwise be bifurcated from the liability host. Changes in fair value attributable to changes in credit risk of the liability designated as at FVTPL are presented in OCI (and there is no reclassification to profit or loss).
Derivatives	All derivatives in the scope of IFRS 9, including those linked to unquoted equity investments, are measured at fair value. Value changes are recognised in profit or loss unless the entity has elected to apply hedge accounting by designating the derivative as a hedging instrument in an eligible hedging relationship.
Embedded derivatives	The contractual cash flows of a financial asset are assessed in their entirety, including those of an embedded derivative that is not closely related to its host. The financial asset as a whole is measured at FVTPL if the contractual cash flow characteristics test is not passed. For financial liabilities, an embedded derivative not closely related to its host is accounted for separately at fair value in the case of financial liabilities not designated at FVTPL. For other non-financial asset host contracts, an embedded derivative not closely related to its host is accounted for separately at fair value.

Hedge accounting	The hedge accounting requirements in IFRS 9 are optional. If the eligibility and qualification criteria are met, hedge accounting allows an entity to reflect risk management activities in the financial statements by matching gains or losses on hedging instruments with losses or gains on the risk exposures they hedge. There are three types of hedging relationships: (i) fair value hedge; (ii) cash flow hedge and (iii) hedge of a net investment in a foreign operation. A hedging relationship qualifies for hedge accounting only if the hedging relationship consists only of eligible hedging instruments and eligible hedged items, the hedging relationship is formally designated and documented (including the entity's risk management objective and strategy for undertaking the hedge) at inception and the hedging relationship is effective. To be effective there must be an economic relationship between the hedged item and the hedging instrument, the effect of credit risk must not dominate the value changes that result from that economic relationship and the hedge ratio of the hedging relationship must be the same as that actually used in the economic hedge.

Impairment	The impairment model in IFRS 9 is based on expected credit losses. It applies to financial assets measured at amortised cost or FVTOCI, lease receivables, contract assets within the scope of IFRS 15 and specified written loan commitments (unless measured at FVTPL) and financial guarantee contracts (unless they are accounted for in accordance with IFRS 4 or IFRS 17). Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses. If the credit risk has increased significantly since initial recognition of the financial instrument, full lifetime expected credit losses are recognised. This is equally true for credit-impaired financial assets for which interest income is based on amortised cost rather than gross carrying amount. IFRS 9 requires expected credit losses to reflect an unbiased and probability-weighted amount, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions.

Interpretations	IFRIC 16 *Hedges of a Net Investment in a Foreign Operation* clarifies that the presentation currency does not create an exposure to which an entity may apply hedge accounting. A parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. The hedging instrument(s) can be held by any entity within the group as long as the designation, effectiveness and documentation requirements are satisfied. On derecognition of a foreign operation, IFRS 9 must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, while IAS 21 must be applied in respect of the hedged item. IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments* clarifies that when a borrower agrees with a lender to issue equity instruments to the lender to extinguish all or part of a financial liability, the issue of equity instruments is the consideration paid. Those equity instruments issued must be measured at their fair value on the date of extinguishment of the liability. If that fair value is not reliably measurable they are measured using the fair value of the liability extinguished. Any difference between the carrying amount of the liability (or the part) extinguished and the fair value of equity instruments issued is recognised in profit or loss. When consideration is partly allocated to the portion of a liability which remains outstanding, that part is included in the assessment as to whether there has been an extinguishment or a modification of that portion of the liability. If the remaining liability has been substantially modified, the entity should account for the modification as the extinguishment of the original liability and the recognition of a new liability as required by IFRS 9.

Changes effective this year	In May 2020, the IASB issued *Annual Improvements to IFRS Standards 2018-2020.* As part of these annual improvements, the IASB amended IFRS 9 to clarify which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment
Pending changes	IFRS 9 did not replace the requirements for portfolio fair value hedge accounting for interest rate risk (often referred to as the 'macro hedge accounting' requirements). The IASB is continuing to work on that project. The IASB is currently undertaking a PIR of the classification and measurement and the impairment requirements of IFRS 9. The IASB will consider when to begin the PIR of the hedge accounting requirements in IFRS 9 in the second half of 2023. In response to comments received during the PIR of the classification and measurement requirements of IFRS 9, the IASB initiated a project to clarify particular aspects of the IFRS 9 requirements for assessing a financial asset's contractual cash flow characteristics (i.e. the SPPI requirements). An ED proposing amendments to IFRS 9 is expected early in 2023. The IASB has added a project on amortised cost measurement to its research project pipeline. This project will aim to review matters relating to the requirements in IFRS 9 for amortised cost measurement that have been identified through the PIR of IFRS 9—Classification and Measurement. In particular, it will consider modifications of financial assets and liabilities, the application of the effective interest method to floating rate financial instruments and the interaction of these two areas. The project may also consider any additional findings from the PIR of IFRS 9—Impairment. Research pipeline projects are projects that the IASB expects to start work on before its next five-yearly agenda consultation.

IFRS 10	***Consolidated Financial Statements***
Overview	Sets out the requirements for determining whether an entity (a parent) controls another entity (a subsidiary).
Control	An investor controls an investee when it has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns. An investor has power when it has existing rights that give it the current ability to direct the *relevant activities* of the investee—the activities that significantly affect the investee's returns. Sometimes assessing power is straightforward, such as when power over an investee is obtained directly and solely from the voting rights granted by equity instruments such as shares, and can be assessed by considering the voting rights from those shareholdings. It is possible to have control with less than half the voting rights (sometimes referred to as de-facto control). In other cases, the assessment will be more complex and require more than one factor to be considered, for example when power results from one or more contractual arrangements. The Standard includes guidance on distinguishing between rights that give the holder power and rights that are intended to protect the investor's interest in the entity. Protective rights might include a right to vote on major transactions such as significant asset purchases or to approve borrowings above a specified level. Distinguishing between rights that give power and rights that are protective requires an understanding of the relevant activities of the entity. Sometimes an entity will delegate its power to an agent. The Standard emphasises the importance of identifying when a party that appears to have control over an entity is only exercising power as an agent of a principal.

Consolidated financial statements	When a parent-subsidiary relationship exists, consolidated financial statements are required. These are financial statements of a group (parent and subsidiaries) presented as those of a single economic entity. There are two exceptions to this requirement. If, on acquisition, a subsidiary meets the criteria to be classified as held for sale in accordance with IFRS 5, it is accounted for under that Standard. The other exception is for investment entities.
Investment entities	An entity that obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services; commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of substantially all of its investments on a fair value basis is an investment entity. An investment entity does not consolidate its subsidiaries. Instead it measures the investment at fair value through profit or loss in accordance with IFRS 9.
Consolidation procedures	Intragroup balances, transactions, income and expenses are eliminated. All entities in the group use the same accounting policies and, if practicable, the same reporting date. Non-controlling interests (NCI) are reported in equity separately from the equity of the owners of the parent. Total comprehensive income is allocated between NCI and the owners of the parent even if this results in the NCI having a deficit balance.
Changes in the ownership interest	A change in the ownership interest of a subsidiary, when control is retained, is accounted for as an equity transaction and no gain or loss is recognised. Partial disposal of an investment in a subsidiary that results in loss of control triggers remeasurement of the residual holding to fair value at the date control is lost. Any difference between fair value and carrying amount is a gain or loss on the disposal, recognised in profit or loss.
Interpretations	None
Changes effective this year	None

Pending changes	Amendments issued in September 2014 were intended to clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed are a business. The IASB decided in December 2015 to defer indefinitely the effective date of the amendments, although entities may elect to apply them. The IASB is considering whether to add a narrow-scope project to its work plan to specify how an entity accounts for the sale of a subsidiary when the entity leases back one or more of the assets held by the subsidiary.

IFRS 11	***Joint Arrangements***
Overview	Sets out principles for identifying whether an entity has a joint arrangement, and if it does whether it is a joint venture or joint operation.
Definitions	A joint arrangement is one in which two or more parties have joint control over activities. A joint venture is a joint arrangement in which the venturers have rights to the net assets of the venture. A joint operation is a joint arrangement whereby each joint operator has rights to assets and obligations for the liabilities of the operation. The distinction between a joint operation and a joint venture requires assessment of the structure of the joint arrangement, the legal form of any separate vehicle, the terms of the contractual arrangement and any other relevant facts and circumstances.
Accounting	A joint venturer applies the equity method, as described in IAS 28, except joint ventures where the investor is a venture capital firm, mutual fund or unit trust, and it elects or is required to measure such investments at fair value through profit or loss in accordance with IFRS 9. A joint operator accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular asset, liability, revenue and expense. The acquisition of an interest in a joint operation in which the activity constitutes a business should be accounted for using the principles of IFRS 3.
Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS 12	***Disclosure of Interests in Other Entities***
Overview	Requires an entity to disclose information to help users of its financial statements evaluate the nature of, and risks associated with, its interests in other entities as well as the effects of those interests on its financial position, financial performance and cash flows.
Judgement	Significant judgements and assumptions such as how control, joint control and significant influence has been determined.
Subsidiaries	Details of the structure of the group, the risks associated with consolidated entities such as restrictions on the use of assets and settlement of liabilities. Some summarised financial information is required to be presented for each subsidiary that has non-controlling interests that are material to the group.
Joint arrangements and associates	Details of the nature, extent and financial effects of interests in joint arrangements and associates. The name and summarised financial information is required for each joint arrangement associate that is material to the group.
Structured entities	The nature and extent of interests in structured entities, particularly the extent of potential support the parent might be required to provide.
Investment entities	Information about significant judgements and assumptions it has made in determining that it is an investment entity, and information when an entity becomes, or ceases to be, an investment entity.
Interpretations	None
Changes effective this year	None
Pending changes	None

IFRS 13	***Fair Value Measurement***
Overview	Defines fair value and provides guidance, how to estimate it and the required disclosures about fair value measurements. IFRS 13 applies when another Standard requires or permits fair value measurements or disclosures about fair value measurements (and measurements such as fair value less costs to sell) but does not stipulate which items should be measured or disclosed at fair value.
Fair value	Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants, under current market conditions.
Fair value hierarchy	When an entity estimates fair value, the estimate is classified on the basis of the nature of the inputs the entity has used. Level 1 inputs are quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date. Level 2 inputs are those other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and interest rates and yield curves observable at commonly quoted intervals. Level 3 inputs are unobservable for the asset or liability. Examples include an entity using its own data to forecast the cash flows of a cash-generating unit (CGU) or estimating future volatility on the basis of historical volatility. Entities are required to use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. However, the objective of estimating the exit price at the measurement date remains the same regardless of the extent to which unobservable inputs are used.

Disclosure	The disclosures depend on the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified. The disclosure requirements are most extensive when Level 3 inputs are used, including sensitivity analysis.
Interpretations	None
Changes effective this year	None
Pending changes	In March 2021, the IASB published ED/2021/3 *Disclosure Requirements in IFRS Standards—A Pilot Approach (Proposed amendments to IFRS 13 and IAS 19).* The ED presents draft guidance which the IASB would use to develop disclosure requirements that result in entities providing information which is more useful for decision-making in financial statements. The IASB decided to test the draft guidance on two Standards, IFRS 13 and IAS 19, by reviewing the disclosure requirements in those Standards with reference to the draft guidance. Based on this, the IASB developed draft amendments to the disclosure requirements in IFRS 13 and IAS 19, also included in the ED.

IFRS 14	***Regulatory Deferral Accounts***
Overview	The Standard permits an entity that adopts IFRS Standards after IFRS 14 was issued to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP. IFRS 14 was issued as a temporary solution pending a more comprehensive review of rate regulation by the IASB.
Regulatory deferral account balances	Regulatory deferral account balances relate to the provision of goods or services to customers at a price or rate that is subject to rate regulation. Regulatory deferral account balances are presented separately in the statement of financial position and movements in these account balances must also be presented separately in the statement of profit or loss and other comprehensive income. Specific disclosures are also required. The requirements of other IFRS Standards are required to be applied to regulatory deferral account balances, subject to specific exceptions, exemptions and additional requirements as noted in the Standard.
Interpretations	None
Changes effective this year	None

Pending changes	In January 2021, the IASB published ED/2021/1 *Regulatory Assets and Regulatory Liabilities* proposing a new Standard that is intended to replace IFRS 14 by introducing a comprehensive accounting model for regulatory assets and liabilities. The new Standard is proposed to apply when the entity is party to a regulatory agreement that determines the regulated rate the entity can charge for the goods or services it supplies to customers. Regulatory assets and liabilities arise when part or all of the total allowed compensation for goods or services supplied in one period is charged to customers through the regulated rates for goods or services supplied in a different past or future period. An entity recognises all regulatory assets and liabilities as defined under the proposals, and as a result, regulatory income and expense. Regulatory assets and liabilities would be measured at historical cost, modified for subsequent measurement by using updated estimates of the amount and timing of future cash flows. The estimated future cash flows of a regulatory asset or liability would be discounted to their present value by using the regulatory interest rate.

IFRS 15	***Revenue from Contracts with Customers***
Overview	Prescribes the accounting for revenue from sales of goods and rendering of services to a customer. The Standard applies only to revenue that arises from a contract with a customer. Other revenue such as from dividends received would be recognised in accordance with other Standards.
Contract with a customer	A contract with a customer is within the scope of this Standard when it has commercial substance, the parties have approved it, the rights of the parties regarding the goods or services to be transferred and the payment terms can be identified, the parties are committed to perform their obligations and enforce their rights and it is probable that the entity will collect the consideration to which it is entitled.
Core principle	The Standard uses a control model. An entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Five steps	The Standard sets out five steps an entity applies to meet the core principle. Step 1: Identify the contract with a customer. It is the contract that creates enforceable rights and obligations between the entity and its customer. Step 2: Identify the performance obligations in the contract. Each promise to transfer to a customer a good or service that is distinct is a performance obligation and is accounted for separately. Step 3: Determine the transaction price. The transaction price is the amount of consideration to which the entity expects to be entitled in exchange for transferring promised goods or services to the customer. It could be a fixed or variable amount or in a form other than cash. If the consideration is variable, the entity must estimate the amount to which it expects to be entitled, but recognises it only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty is resolved. The transaction price is adjusted for the effects of the time value of money if the contract includes a significant financing component. Step 4: Allocate the transaction price to the performance obligations in the contract. The transaction price is allocated to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract. If a stand-alone selling price is not observable, an entity estimates it. Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. Revenue is recognised when (or as) the performance obligation is satisfied and the customer obtains control of that good or service. This can be at a point in time (typically for goods) or over time (typically for services). The revenue recognised is the amount allocated to the satisfied performance obligation.

Application guidance	The Standard includes application guidance for specific transactions such as performance obligations satisfied over time, methods for measuring progress of performance obligations, sales with a right of return, warranties, principal versus agent considerations, customer options for additional goods or services, non-refundable upfront fees, bill and hold arrangements and customers unexercised rights, licensing, repurchase agreements, consignment arrangements and customer acceptance. The Standard also includes guidance on variable consideration and time value of money and specific disclosure requirements.
Interpretations	None
Changes effective this year	None
Pending changes	The IASB is undertaking a PIR of IFRS 15.

IFRS 16	***Leases***
Overview	Sets out the recognition, measurement, presentation and disclosure requirements for leases. A lessee recognises a leased asset and lease obligation for all leases. Lessors continue to distinguish between operating and finance leases.
Summary	A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed when the customer has the right to direct the identified asset's use and to obtain substantially its economic benefits from that use.
Accounting by a lessee	The Standard has a single lessee accounting model, requiring lessees to recognise a right-of-use asset and a lease liability. The right-of-use asset is measured initially at the amount of the lease liability plus any initial direct costs incurred by the lessee. After lease commencement, the right-of-use asset is accounted for in accordance with IAS 16 (unless specific conditions apply). The lease liability is measured initially at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee uses its incremental borrowing rate. Lease payments are allocated between interest expense and repayment of the lease liability. When the lease payments are variable the lessee does not include those when measuring the right-of-use asset and the lease liability, but instead recognises the amounts payable as they fall due. The exception is variable payments that depend on an index or a rate, which are included in the initial measurement of a lease liability and the right-of-use asset. There are optional recognition exemptions when the lease term is 12 months or less or when the underlying asset has a low value when new. If applied, the lease payments are recognised on a basis that represents the pattern of the lessee's benefit (e.g. straight-line over the lease term).

Accounting by a lessor	The IFRS 16 approach to lessor accounting is substantially unchanged from its predecessor, IAS 17. Lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease. A lessor recognises assets held under a finance lease as a receivable at an amount equal to the net investment in the lease upon lease commencement. For sale and leaseback transactions, the seller is required to determine whether the transfer of an asset is a sale by applying the requirements of IFRS 15. If it is a sale the seller measures the right-of-use asset at the proportion of the previous carrying amount that relates to the right of use retained. As a result, the seller only recognises the amount of gain or loss that relates to the rights transferred to the buyer.
Interpretations	None
Changes effective this year	None
Pending changes	In September 2022, the IASB published *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).* The amendments require a seller-lessee to measure the lease liability arising from a leaseback in a way that it does not result in recognition of a gain or loss that relates to the right of use it retains, after the commencement date. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. In the second half of 2023, the IASB will consider when to begin the PIR of IFRS 16. In addition, the IASB is considering whether to add a narrow-scope project to its work plan to specify how an entity accounts for the sale of a subsidiary when the entity leases back one or more of the assets held by the subsidiary.

IAS 1	***Presentation of Financial Statements***
Overview	Sets out the overall framework for presenting general purpose financial statements, including guidelines for their structure and the minimum content.
Complete set of financial statements	A complete set of financial statements comprises: • A statement of financial position • A statement of profit or loss and other comprehensive income • A statement of changes in equity • A statement of cash flows • Notes Entities may use titles for the individual financial statements other than those used above. Comparative information for the prior period is required for amounts shown in the financial statements and the notes. Financial statements are generally prepared annually. If the end of the reporting period changes, and financial statements are presented for a period other than one year, additional disclosures are required. A third statement of financial position is required when an accounting policy has been applied retrospectively or items in the financial statements have been restated or reclassified.
Materiality	IAS 1 defines what makes information material to the primary users of the financial statements. It also sets out the line items to be presented in each of the statements (with the exception of the statement of cash flows, for which IAS 7 sets out the requirements) and has guidance for when an entity presents additional line items or subtotals. IFRS Practice Statement 2 *Making Materiality Judgements* provides guidance on making materiality judgements when preparing general purpose financial statements in accordance with IFRS Standards.

Statement of Financial Position	In the statement of financial position, assets and liabilities are required to be classified as current or non-current, unless presenting them in order of liquidity provides reliable and more relevant information. Assets and liabilities may not be offset unless offsetting is permitted or required by another IFRS Standard.
Statement of profit or loss and other comprehensive income	The statement of profit or loss and other comprehensive income includes all items of income and expense. It can be presented as either a single statement, with a sub-total for profit or loss, or as separate statements of profit or loss and other comprehensive income. Within the profit or loss section expenses are presented either by their nature (e.g. depreciation) or by function (e.g. cost of sales). If they are presented by function, additional disclosures about their nature are required to be presented in the notes. Items can only be presented in other comprehensive income if permitted by an IFRS Standard, and are grouped based on whether or not they are potentially reclassifiable to profit or loss at a later date. Income and expenses may not be offset unless offsetting is permitted or required by another IFRS Standard. There are special presentation requirements for discontinued activities and assets held for sale—see IFRS 5.
Statement of changes in equity	The statement of changes in equity is required to show the total comprehensive income for the period; the effects on each component of equity of retrospective application or retrospective restatement in accordance with IAS 8; and for each component of equity, a reconciliation between the opening and closing balances, disclosing each change separately.
Notes	The notes must include information about the accounting policies followed; the judgements that management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements; sources of estimation uncertainty; and management of capital and compliance with capital requirements.
Fundamental principles	IAS 1 also sets out the fundamental principles for the preparation of financial statements, including the going concern assumption, consistency in presentation and classification and the accrual basis of accounting.
Interpretations	None

Changes effective this year	None
Pending changes	The IASB issued amendments to IAS 1 titled *Classification of Liabilities* which are effective for annual periods beginning on or after 1 January 2023 with earlier application permitted. An entity would apply those amendments retrospectively. The amendments specify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period. The classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. Rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. In November 2021, the IASB issued ED/2021/9 *Non-current Liabilities with Covenants (Proposed amendments to IAS 1),* which proposes to amend IAS 1 to specify that conditions an entity must comply with in the twelve months after the reporting period do not affect classification of the corresponding liability as current or non-current. The ED also proposes additional disclosure on the conditions an entity is required to comply with after the reporting period. The amendments are expected to be finalised in November 2022. The ED also proposes to defer the effective date of the *Classification of Liabilities* amendment (see above) to a date to be decided after exposure, but no earlier than 1 January 2024. In addition, the IASB published amendments to IAS 1 and IFRS Practice Statement 2 titled *Disclosure of Accounting Policies.* The amendments are effective for annual periods beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted.

Applying the amendments, an entity discloses its material accounting policies, instead of its significant accounting policies. The revised Standard also explains how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material were added.

The IASB also proposed a new IFRS Standard titled *General Presentation and Disclosures* in ED/2019/7.

The new Standard, if finalised, would replace IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements.

The ED proposes that entities would be required to:

- Present new defined subtotals in the statement of profit or loss
- Disaggregate information in a better way
- Disclose information about some performance measures defined by management ('non-GAAP' measures)

In particular:

- In the profit or loss statement income and expenses would have to be categorised as operating, integral associates and joint ventures, investing and financing. These categories would have a different meaning than the categories in the statement of cash flows.
- An entity would have to provide three additional subtotals in the profit or loss statement: operating profit or loss, operating profit or loss and income from integral associates and joint ventures (if the entity has income or expense from integral associates and joint ventures), and profit or loss before financing and income tax.
- Entities would be required to present their analysis of operating expenses in the profit or loss statement using the method (by nature or by function) that provides the most useful information. A list of indicators would be provided to help entities assess the method that provides the most useful information.
- In the statement of financial position, entities would be required to separate goodwill from intangible assets and to distinguish integral associates and joint ventures and non-integral associates and joint ventures.

- In the notes to the financial statements, entities would be required to disclose and explain unusual items (i.e. income and expenses with limited predictive value) in a single note.
- Information that constitutes management performance measures (MPMs) would be defined and entities would be required to disclose all MPMs in a single note to the financial statements, accompanied by disclosures aimed at enhancing their transparency.

IAS 2	***Inventories***
Overview	Prescribes the accounting for inventories.
Initial measurement of inventory	Inventories are stated at the lower of cost and net realisable value (NRV). Costs include purchase cost, conversion cost (materials, labour and overheads), and other costs to bring inventory to its present location and condition, but not foreign exchange differences (see IAS 21). For inventory that is not interchangeable, specific costs are attributed to the specific individual items of inventory. For interchangeable items, cost is determined on either a First In First Out (FIFO) or weighted average basis. Last In First Out (LIFO) is not permitted.
Cost of goods sold	When inventory is sold, the carrying amount is recognised as an expense in the period in which the related revenue is recognised.
Impairment	Write-downs to NRV are recognised as an expense in the period the loss occurs. Reversals arising from an increase in NRV are recognised as a reduction of the inventory expense in the period in which they occur.
Interpretations	None
Changes effective this year	None
Pending changes	None

IAS 7	***Statement of Cash Flows***
Overview	Requires a statement of cash flows to present information about changes in cash and cash equivalents, classified as operating, investing and financing activities.
Cash and cash equivalents	Cash equivalents include investments that are short-term (less than three months from date of acquisition), readily convertible to a known amount of cash, and subject to an insignificant risk of changes in value.
Operating, investing and financing cash flows	Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities. Operating cash flows are reported using either the direct (recommended) or the indirect method. Cash flows from taxes on income are classified as operating unless they can be specifically identified with financing or investing activities. Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents. Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity. Aggregate cash flows from obtaining or losing control of subsidiaries are presented separately and classified as investing activities. Investing and financing transactions that do not require the use of cash are excluded from the statement of cash flows, but need to be disclosed.
Reconciliation of financing balances	Entities must reconcile the opening and closing amounts in the statement of financial position for items classified as financing activities.
Interpretations	None
Changes effective this year	None

Pending changes	In November 2021, the IASB issued ED/2021/10 *Supplier Finance Arrangements (Proposed amendments to IAS 7 and IFRS 7)*, which proposes to amend IAS 7 to introduce a disclosure objective requiring entities to provide information in the notes that enables users of financial statements to assess the effects of supplier finance arrangements on their liabilities and cash flows. The ED also specifies the qualitative and quantitative disclosures an entity would need to provide to meet the proposed disclosure objective. The term 'supplier finance arrangements' would not be defined and instead the proposed amendments describe the characteristics of an arrangement for which an entity would be required to provide the proposed information. In addition, the IASB proposed a new IFRS Standard titled *General Presentation and Disclosures* in ED/2019/7 that would also make consequential amendments to IAS 7. The new Standard proposes that entities would no longer have a choice as to where to present cash flows from dividends and interest. For most entities, dividends and interest paid would be cash flows from financing activities, while dividends and interest received would be cash flows from investing activities. It would also require that the reconciliation presented using the indirect method would be reconciled to "operating profit or loss", a new subtotal proposed for the statement of comprehensive income by the ED. The IASB has added a project on statement of cash flows and related matters to its research project pipeline. As part of its initial work on this project, the IASB will consider whether the project should aim to review IAS 7 comprehensively or make more targeted improvements. Research pipeline projects are projects that the IASB expects to start work on before its next five-yearly agenda consultation.

IAS 8	***Accounting Policies, Changes in Accounting Estimates and Errors***
Overview	Prescribes the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in estimates and correction of errors.
Selecting accounting policies	Entities must apply the Standards and Interpretations issued by the IASB. In the absence of a directly applicable IFRS Standard, entities must look to the requirements in IFRS Standards that deal with similar and related issues and, failing that, to the *Conceptual Framework*. Entities may also consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework, other accounting literature and accepted industry practice.
Changes in accounting policies	Accounting policies must be applied consistently to similar transactions. Voluntary changes can be made only if the change results in reliable and more relevant information. When a change in accounting policy is required by an IFRS Standard, the pronouncement's transitional requirements are followed. If the new requirement is not yet mandatory, and the entity has not early-applied the change, the entity must provide information it knows, or can reasonably estimate, about the possible effect that application will have on its financial statements when it plans to apply the new requirements. If the entity makes a change voluntarily, the new policy must be applied retrospectively and prior periods are restated. The Standard provides relief from retrospective application when it is impracticable to determine period-specific effects.
Changes in accounting estimates	Changes in accounting estimates (e.g. change in useful life of an asset) are accounted for prospectively, in the current year, or future years, or both. The comparative information is not restated.
Prior period errors	All material prior period errors are corrected by restating comparative prior period amounts and, if the error occurred before the earliest period presented, by restating the opening statement of financial position.

Interpretations	None
Changes effective this year	None
Pending changes	The IASB published amendments to IAS 8 titled *Definition of Accounting Estimates* that are effective for annual reporting periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The revised Standard clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. In addition, the IASB proposed a new IFRS Standard titled *General Presentation and Disclosures* in ED/2019/7. The new Standard, if finalised, would replace IAS 1. Paragraphs of IAS 1 that relate to the general features of financial statements are moved to IAS 8. To reflect the change to IAS 8, the IASB proposes to change the title of IAS 8 to *"Basis of Preparation, Accounting Policies, Changes in Accounting Estimates and Errors".*

IAS 10	***Events after the Reporting Period***
Overview	Prescribes when financial statements must be adjusted for events after the end of the reporting period and what information must be disclosed.
Events after the end of the reporting period	Events after the end of the reporting period are those that occur between the end of the reporting period and the date when the financial statements are authorised for issue.
Adjusting events	The financial statements are adjusted for events that provide evidence of conditions that existed at the end of the reporting period (such as the resolution of a court case after the end of the reporting period).
Non-adjusting events	The financial statements are not adjusted for events that arose after the end of the reporting period (such as a decline in market prices after year end). The nature and effect of such events are disclosed. However, if the events after the end of the reporting period indicate that the going concern assumption is not appropriate, those financial statements are not prepared on a going concern basis. Dividends proposed or declared after the end of the reporting period are not recognised as a liability at the end of the reporting period.
Interpretations	None
Changes effective this year	None
Pending changes	None

IAS 12	***Income Taxes***
Overview	Sets out the accounting for current and deferred tax.
Current and deferred tax	Current tax liabilities and assets are recognised for current and prior period taxes, measured at the rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are the income taxes recoverable or payable in future periods as a result of differences between the amounts attributed to assets and liabilities from applying IFRS Standards and the amounts those assets and liabilities are attributed for tax purposes (called temporary differences).
Deferred tax liabilities	Deferred tax liabilities are recognised for the future tax consequences of all taxable temporary differences with three exceptions: A deferred tax liability is not recognised when the temporary difference arises from the initial recognition of goodwill; when, at the time of the transaction, the initial recognition of an asset or liability does not affect either the accounting or the taxable profit (unless it is a business combination); and for differences arising from investments in subsidiaries, branches, associates and joint arrangements (e.g. due to undistributed profits) when the entity is able to control the timing of the reversal of the difference and it is probable that the reversal will not occur in the foreseeable future.

Deferred tax assets	A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits, but only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. There are two exceptions: a deferred tax asset is not recognised for temporary differences related to the initial recognition of an asset or liability, other than in a business combination, which, at the time of the transaction, does not affect the accounting or the taxable profit; and deferred tax assets arising from deductible temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements are recognised only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available to utilise the difference. A reassessment of unrecognised deferred tax assets must be made at the end of each reporting period.
Measurement of deferred tax	Deferred tax liabilities and assets are measured at the tax rates expected to apply when the liability is settled or the asset is realised, based on tax rates or laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are not discounted. The measurement must reflect the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities. There is a rebuttable presumption that recovery of the carrying amount of an investment property measured at fair value will be through sale.
Presentation of current and deferred tax	Current and deferred tax is recognised as income or expense in profit or loss unless it relates to a transaction or event that is recognised outside profit or loss or to a business combination. Deferred tax assets and liabilities are classified as non-current items.

Interpretations	SIC-25 *Income Taxes—Changes in the Tax Status of an Entity or its Shareholders* clarifies that the current and deferred tax consequences of changes in tax status are included in profit or loss even when they relate to transactions or events that were previously recognised outside profit or loss. IFRIC 23 *Uncertainty over Income Tax Treatments* clarifies that entities must assess whether it is probable that a tax authority (with full knowledge of all relevant information) will accept an uncertain tax treatment used in tax filings. If so, tax accounting should be consistent with that treatment. If not, the effect of uncertainty should be reflected in the tax accounting applied (using whichever of a 'most likely amount' or 'expected value' approach is expected to better predict the resolution of the uncertainty).
Changes effective this year	None
Pending changes	In May 2021, the IASB published *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).* The amendments introduce an exception to the initial recognition exemption in IAS 12. Applying this exception, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. They also apply to taxable and deductible temporary differences associated with right-of-use assets and lease liabilities, and decommissioning obligations and corresponding amounts recognised as assets at the beginning of the earliest comparative period presented. The amendments are effective for annual reporting periods beginning on or after 1 January 2023. Early application of the amendments is permitted.

IAS 16	***Property, Plant and Equipment***
Overview	Sets out the principles for accounting for property, plant and equipment (PP&E).
Initial recognition and measurement	PP&E is recognised as an asset when it is probable that its future economic benefits will flow to the entity, and its cost can be measured reliably. This includes bearer plants used in the production or supply of agricultural produce. Initial recognition is at cost, which includes all costs necessary to get the asset ready for its intended use. Interest on amounts borrowed for the purposes of constructing an asset are included in its cost—see IAS 23. Exchanges of PP&E are measured at fair value, including exchanges of similar items, unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up can be measured reliably.
Subsequent measurement	After initial recognition PP&E is either carried at cost less accumulated depreciation and impairment (the cost model) or measured at fair value less accumulated depreciation and impairment between revaluations (the revaluation model). Any revaluation surplus on disposal of an asset remains in equity and is not reclassified to profit or loss. Impairment of PP&E is assessed under IAS 36.
Depreciation	Depreciation is charged systematically over the useful life of the asset, using a method that reflects the pattern of benefit consumption, to its residual value. Different depreciation methods are acceptable (including straight-line, diminishing balance and units of production), but not a method that is based on the revenue the asset generates. Components of an asset with differing patterns of benefits are depreciated separately. The residual value is the amount the entity would receive currently if the asset were already of the age and condition expected at the end of its useful life. Useful life and the residual value are reviewed annually.
Major inspections	If operation of an item of PP&E (e.g. an aircraft) requires regular major inspections, the cost of each major inspection is recognised in the carrying amount of the asset, if the recognition criteria are satisfied.

Previously rented PP&E	Entities that routinely sell items of PP&E that they have previously held to rent must transfer the PP&E to inventory, at its carrying amount, when it becomes held for sale. The proceeds from the sale of such assets are recognised in accordance with IFRS 15.
Interpretations	IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities* clarifies that the carrying amount of an asset is adjusted when there is a change in the estimated decommissioning or restoration liability related to that asset. IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* addresses recognition of production stripping costs and measurement (initial and subsequent) of that stripping activity asset.
Changes effective this year	The IASB issued amendments to IAS 16 titled *Property, Plant and Equipment: Proceeds before Intended Use.* The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022.
Pending changes	None

IAS 19	***Employee Benefits***
Overview	Sets out the accounting and disclosure requirements for employee benefits, including short-term benefits (wages, annual leave, sick leave, annual profit-sharing, bonuses and non-monetary benefits), pensions, post-employment life insurance and medical benefits, other long-term employee benefits (long-service leave, disability, deferred compensation, and long-term profit-sharing and bonuses); and termination benefits.
Basic principle	The cost of providing employee benefits is recognised in the period in which the entity receives services from the employee, rather than when the benefits are paid or payable. Short-term employee benefits (expected to be settled wholly before 12 months after the annual period in which the services were rendered) are recognised as an expense in the period in which the employee renders the service. Unpaid benefit liability is measured at an undiscounted amount. Profit-sharing and bonus payments are recognised only when the entity has a legal or constructive obligation to pay them and the costs can be estimated reliably.
Post-employment benefits	Post-employment benefit plans (such as pensions and health care) are categorised as either defined contribution plans or defined benefit plans.
Defined contribution plans	Expenses are recognised in the period in which the contribution is payable.

Defined benefit plans	A liability (or asset) is recognised equal to the net of the present value of the obligations under the defined benefit plan and the fair value of the plan assets at the end of the reporting period. The present value is calculated using a rate determined with reference to market yields on high-quality corporate bonds. Plan assets include assets held by a long-term employee benefit fund and qualifying insurance policies. A defined benefit asset is limited to the lower of the surplus in the defined benefit plan and present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The change in the defined benefit liability or asset is separated into the service cost, net interest and remeasurements. The service cost is the increase in the present value of the defined benefit obligation resulting from the service of employees in the current period and any change in the present value related to employee service in prior periods that results from plan amendments. The service cost is recognised in profit or loss. Net interest is the change in the liability (asset) caused by the passage of time and is recognised in profit or loss. Remeasurements include actuarial gains or losses (such as changes in actuarial assumptions) and the return on plan assets and are recognised in OCI. For group plans, the net cost is recognised in the separate financial statements of the entity that is legally the sponsoring employer unless a contractual agreement or stated policy for allocating the cost exists.
Other long-term benefits	Other long-term employee benefits are recognised and measured in the same way as post-employment benefits under a defined benefit plan. However, unlike defined benefit plans, remeasurements are recognised immediately in profit or loss. Termination benefits are recognised at the earlier of when the entity can no longer withdraw the offer of the benefits and when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

Interpretations	IFRIC 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* addresses when refunds or reductions in future contributions should be regarded as being 'available', how a minimum funding requirement might affect the availability of reductions in future contributions and when a minimum funding requirement might give rise to a liability.
Changes effective this year	None
Pending changes	In March 2021, the IASB issued ED/2021/3 *Disclosure Requirements in IFRS Standards—A Pilot Approach (Proposed amendments to IFRS 13 and IAS 19).* The ED presents draft guidance which the IASB would use to develop disclosure requirements that result in entities providing information which is more useful for decision-making in financial statements. The IASB decided to test the draft guidance on two Standards, IFRS 13 and IAS 19, by reviewing the disclosure requirements in those Standards with reference to the draft guidance. Based on this, the IASB developed draft amendments to the disclosure requirements in IFRS 13 and IAS 19, also included in the ED.

IAS 20	***Accounting for Government Grants and Disclosure of Government Assistance***
Overview	Prescribes the accounting for, and disclosure of, government grants and other forms of government assistance.
Recognition of Government Grants	A government grant is recognised only when there is reasonable assurance that the entity will comply with the conditions attached to the grant and it will be received. Non-monetary grants are usually recognised at fair value, although recognition at nominal value is permitted. The benefit of government loans with a below-market rate of interest is a government grant—measured as the difference between the initial carrying amount of the loan determined in accordance with IFRS 9 and the proceeds received.
Presentation	Grants are recognised in profit or loss over the periods necessary to match them with the related costs. Income-related grants are either presented separately as income or as a reduction of the related expense. Asset-related grants are either presented as deferred income in the statement of financial position, or deducted in arriving at the carrying amount of the asset.
Interpretations	SIC-10 *Government Assistance—No Specific Relation to Operating Activities* clarifies that government assistance to entities that is aimed at encouragement or long-term support of business activities either in specific regions or industry sectors is a government grant.
Changes effective this year	None
Pending changes	None

IAS 21	***The Effects of Changes in Foreign Exchange Rates***
Overview	Prescribes the accounting for foreign currency transactions and foreign operations.
Functional currency	An entity's functional currency is the currency of the primary economic environment in which the entity operates. All foreign currency items are translated into that currency.
Exchange differences on transactions	Transactions are recognised on the date that they occur using the exchange rate on that date for initial recognition and measurement.
Exchange differences on translation at the end of a reporting period	At the end of a reporting period non-monetary items carried at historical amounts continue to be measured using transaction-date exchange rates, monetary items are retranslated using the closing rate and non-monetary items carried at fair value are measured at valuation-date exchange rates. Exchange differences arising on settlement or translation of monetary items are included in profit or loss, with one exception. Exchange differences arising on monetary items that are part of the reporting entity's net investment in a foreign operation are recognised in the consolidated financial statements that include the foreign operation in other comprehensive income. Such differences are reclassified from equity to profit or loss on disposal of the net investment.
Translation of the financial statements into the presentation currency	When an entity has a presentation currency that is different from its functional currency, the results and financial position are translated into that presentation currency. Assets (including goodwill arising on the acquisition of a foreign operation) and liabilities for each statement of financial position presented (including comparatives) are translated at the closing rate at the date of each statement. Income and expenses for each period presented (including comparatives) are translated at exchange rates at the dates of the transactions. All resulting exchange differences are recognised as other comprehensive income and the cumulative amount is presented in a separate component of equity until disposal of the foreign operation. Special rules exist for translating the results and financial position of an entity whose functional currency is hyperinflationary.

Interpretations	SIC-7 *Introduction of the Euro* explains how IAS 21 applied when the Euro was first introduced, and when new EU Members join the Eurozone. The IFRS 9 summary includes a summary of IFRIC 16 *Hedges of a Net Investment in a Foreign Operation.* IFRIC 22 *Foreign Currency Transactions and Advance Consideration* clarifies that when consideration denominated in a foreign currency is paid or received in advance, the exchange rate to use on initial recognition is the rate on the date on which the payment in advance is initially recognised.
Changes effective this year	None
Pending changes	In April 2021, the IASB issued ED/2021/4 *Lack of Exchangeability,* which proposes to amend IAS 21 to specify when a currency is exchangeable into another currency and, consequently, when it is not. The amendments, if finalised, would also specify how an entity determines the exchange rate to apply when a currency is not exchangeable. It is proposed that an entity should disclose information that enables users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

IAS 23	***Borrowing Costs***
Overview	Prescribes the accounting when borrowings are made to acquire or construct an asset.
Recognition of borrowing costs as a cost of construction	Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are included in the cost of that asset. All other borrowing costs are expensed when incurred. A qualifying asset is one that takes a substantial period of time to make it ready for its intended use or sale. If funds are borrowed generally and used for the purpose of obtaining a qualifying asset, a capitalisation rate (using a weighted average of the borrowing costs over the period) is used. The borrowing costs eligible for capitalisation cannot exceed the amount of borrowing costs incurred.
Interpretations	None
Changes effective this year	None
Pending changes	None

IAS 24	***Related Party Disclosures***
Overview	Sets out disclosure requirements to make investors aware that the financial position and results of operations may have been affected by the existence of related parties.
Related party	A related party is a person or entity that is related to the reporting entity. A related party includes a person who has, or has a close family member who has, control or joint control of, or significant influence over, the reporting entity or is a member of its, or its parent's, key management personnel. Entities that such a person controls, jointly controls, has significant influence over or of which they are a member of the key management personnel are also related parties. Another entity is related to the reporting entity if it is a member of the same group; either entity is an associate or a joint venture of the other, they are joint ventures of the same third party; one entity is a joint venture of a third entity and the other entity is an associate of the third entity; the other entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; or the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
Disclosure	The Standard requires disclosure of relationships involving control, even when there have been no transactions. For related party transactions, disclosure is required of the nature of the relationship and with sufficient information to enable an understanding of the potential effect on the transactions. There is a partial exemption for government-related entities.
Interpretations	None
Changes effective this year	None
Pending changes	None

IAS 26	***Accounting and Reporting by Retirement Benefit Plans***
Overview	Specifies the measurement and disclosure principles for the financial reports of retirement benefit plans.
Summary	Sets out the reporting requirements for the reporting by defined contribution and defined benefit plans, including the need for actuarial valuation of the benefits for defined benefits and the use of fair values for plan investments.
Interpretations	None
Changes effective this year	None
Pending changes	None

IAS 27	***Separate Financial Statements***
Overview	Prescribes the accounting for investments in subsidiaries, joint ventures and associates in separate financial statements.
Accounting	In separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for either at cost or as investments in accordance with IFRS 9 or using the equity method as described in IAS 28.
Interpretations	None
Changes effective this year	None
Pending changes	None

IAS 28	***Investments in Associates and Joint Ventures***
Overview	Sets out the accounting when an entity has an investment in an associate or joint venture.
Definition of an associate	An associate is an entity over which the investor has significant influence. There is a rebuttable presumption that an investor that holds an investment, directly and indirectly, of 20 per cent or more of the voting power of the investee has significant influence. The guidance for assessing joint control and whether an entity has an investment in a joint venture is set out in IFRS 11.
Accounting method	The equity method is used to account for investments in associates and joint ventures. However, if the investor is a venture capital firm, mutual fund, unit trust or a similar entity, it can elect to measure such investments at fair value through profit or loss in accordance with IFRS 9. When the investor is presenting its separate financial statements it accounts for an investment in an associate or a joint venture in accordance with IAS 27.
The equity method	The investment is recorded initially at cost and is subsequently adjusted by the investor's share of changes in the investee's net assets. The investor's statement of comprehensive income reflects its share of the investee's post-acquisition profit or loss. The accounting policies of the associate and joint venture need to be the same as those of the investor for like transactions and events in similar circumstances. However, if an entity that is not itself an investment entity but has an interest in an associate or joint venture that is an investment entity, the entity is permitted to retain the fair value measurements applied by an investment entity associate or joint venture to its interests in subsidiaries. The end of the reporting period of an associate or a joint venture cannot be more than three months different from the investor's end of the reporting period.

Impairment	Equity method investments are assessed for impairment in accordance with IAS 36. The impairment indicators in IFRS 9 apply. An investment in an associate or joint venture is treated as a single asset for impairment purposes.
Discontinued use of the equity method	If an investment in an associate or joint venture becomes a subsidiary, the entity applies IFRS 3 and IFRS 10. If an investment ceases to be an associate or a joint venture to become a financial asset in the scope of IFRS 9, the investment retained is remeasured to its fair value, with any gain or loss recognised in profit or loss.
Interpretations	None
Changes effective this year	None
Pending changes	Amendments issued in September 2014 clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed are a business. However, the IASB decided in December 2015 to defer indefinitely the effective date of the amendments, although entities may elect to apply them. To address this and other issues, the IASB has decided to undertake a limited-scope project with the objective to assess whether application problems with the equity method as set out in IAS 28 can be addressed in consolidated and individual financial statements by identifying and explaining the principles of IAS 28.

IAS 29	***Financial Reporting in Hyperinflationary Economies***
Overview	Sets out the requirements for entities reporting in the currency of a hyperinflationary economy.
Hyperinflation	Generally, an economy is hyperinflationary when the cumulative inflation rate over three years is approaching or exceeds 100 per cent.
Change in measurement basis	When an entity's functional currency is the currency of a hyperinflationary economy its financial statements are restated so that all amounts are measured at current amounts at the end of the reporting period. The adjusting gain or loss on the net monetary position is recognised in profit or loss. Comparative figures for prior period(s) are also restated into the same current measuring unit.
When an economy is no longer hyper-inflationary	When an economy ceases to be hyperinflationary, the amounts expressed in the measuring unit current at the end of the previous reporting period become the basis for the carrying amounts in subsequent financial statements.
Interpretations	IFRIC 7 *Applying the Restatement Approach under IAS 29* clarifies that when the economy of an entity's functional currency becomes hyperinflationary, the entity applies the requirements of IAS 29 as though the economy had always been hyperinflationary.
Changes effective this year	None
Pending changes	None

IAS 32	***Financial Instruments: Presentation***
Overview	Prescribes the accounting for classifying and presenting financial instruments as liabilities or equity and for offsetting financial assets and liabilities.
Classification	Classification of an instrument is based on its substance rather than its form and the assessment is made at the time of issue and is not altered subsequently. An equity instrument is an instrument that evidences a residual interest in the assets of the entity after deducting all of its liabilities. A financial liability is an instrument that obligates an entity to deliver cash or another financial asset, or the holder has a right to demand cash or another financial asset. Examples are bank loans and trade payables, but also mandatorily redeemable preference shares. Puttable instruments and instruments that impose on the entity an obligation to deliver a pro-rata share of net assets only on liquidation that are subordinate to all other classes of instruments and meet additional criteria, are classified as equity instruments even though they would otherwise meet the definition of a liability. An issuer classifies separately the debt and equity components of a single compound instrument such as convertible debt, at the time of issue. The cost of treasury shares is deducted from equity. Resales of treasury shares are accounted for as equity issuances.
Cost	Costs of issuing or reacquiring equity instruments are accounted for as a deduction from equity.
Offsetting	Financial assets and liabilities can only be offset, and the net amount reported, when an entity has a legally enforceable right to set off the amounts and intends either to settle on a net basis or simultaneously.
Statement of financial performance	Interest, dividends, gains and losses relating to an instrument classified as a liability are reported as income or expense.

Interpretations	IFRIC 2 *Members' Shares in Co-operative Entities and Similar Instruments* clarifies that these are liabilities unless the co-op has the legal right not to redeem on demand.
Changes effective this year	None
Pending changes	The IASB is exploring whether it can improve the requirements in IAS 32 for classifying financial instruments into equity and liabilities and issued a DP in 2018. After reviewing the responses to the DP, the IASB decided to develop amendments to IAS 32 to address practice issues, clarify the underlying principles in IAS 32 and develop additional application guidance.

IAS 33	*Earnings per Share*
Overview	Sets out the principles for measuring and presenting earnings per share (EPS).
Scope	Applies to publicly-traded entities, entities in the process of issuing such shares and any other entity voluntarily presenting EPS.
EPS	Requires the presentation of basic and diluted EPS for each class of ordinary share that has a different right to share in profit for the period. The measures must be presented with equal prominence. EPS is reported for profit or loss attributable to equity holders of the parent entity, for profit or loss from continuing operations attributable to equity holders of the parent entity and for any discontinued operations. EPS on discontinued operations can be presented in the notes.
Basic EPS calculation	The numerator is earnings after deduction of all expenses including tax and after deduction of non-controlling interests and preference dividends. The denominator is the weighted average number of shares outstanding during the period.
Diluted EPS calculation	Dilution is a reduction in EPS on the assumption that convertible instruments are converted, that options or warrants are exercised or that ordinary shares are issued when specified conditions are met. The numerator is the profit for the period attributable to ordinary shares, increased by the after-tax amount of dividends and interest recognised in the period in respect of the dilutive potential ordinary shares (such as options, warrants, convertible securities and contingent insurance agreements) and adjusted for any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares. The denominator is adjusted for the number of shares that would be issued on the conversion of all of the dilutive potential ordinary shares into ordinary shares. Anti-dilutive potential ordinary shares are excluded from the calculation.

Interpretations	None
Changes effective this year	None
Pending changes	None

IAS 34	***Interim Financial Reporting***
Overview	Prescribes the minimum content of an interim financial report and the recognition and measurement principles for an interim financial report.
Scope	An interim financial report is a complete or condensed set of financial statements for a period shorter than an entity's full financial year. IAS 34 applies only when an entity is required by a regulator or elects to publish an interim financial report in accordance with IFRS Standards.
Content	The minimum components of an interim financial report are condensed versions of the primary financial statements. The notes in an interim financial report provide an explanation of events and transactions significant to understanding the changes since the last annual financial statements. IAS 34 lists specific items that are presumed to be necessary in understanding such changes.
Principles	Materiality is based on interim financial data, not forecast annual amounts. The accounting policies are the same as for the annual report. Revenue and costs are recognised when they occur, not if they are anticipated or deferred.
Interpretations	IFRIC 10 *Interim Financial Reporting and Impairment* clarifies that when an entity has recognised an impairment loss in an interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost, that impairment is neither reversed in subsequent interim financial statements nor in annual financial statements.
Changes effective this year	None
Pending changes	None

IAS 36	***Impairment of Assets***
Overview	Sets out requirements to ensure that assets are carried at no more than their recoverable amount and to prescribe how recoverable amount and an impairment loss or its reversal are calculated.
Scope	IAS 36 applies to assets that are not in the scope of other Standards. Assets that have separate requirements are inventories (IAS 2), contract assets and costs to fulfil a contract (IFRS 15), deferred tax assets (IAS 12), assets from employee benefits (IAS 19), financial assets (IFRS 9), investment property measured at fair value (IAS 40), biological assets measured at fair value less costs to sell (IAS 41), contracts in the scope of IFRS 17 and non-current assets classified as held for sale (IFRS 5).
Identifying impairments	At the end of each reporting period, assets are reviewed to look for any indication that they may be impaired. Intangible assets with an indefinite useful life and goodwill must be tested annually irrespective of whether there is any indication of impairment.
Recognition	An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. An impairment loss is recognised in profit or loss for assets carried at cost and treated as a revaluation decrease for assets carried at the revalued amount. Reversal of prior years' impairment losses is required in some cases, but is prohibited for goodwill.

Recoverable amount	Recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The discount rate used is the pre-tax rate of return that investors would require if they were to choose an investment that would generate cash flows equivalent to those expected from the asset. The discount rate must not reflect risks for which future cash flows have been adjusted. Fair value is defined in IFRS 13. Examples for costs of disposal are set out in IAS 36, for example legal costs, costs of removing an asset and direct incremental costs to bring an asset into condition for its sale.
Cash-generating units (CGUs)	If it is not possible to determine the recoverable amount for an individual asset, then the recoverable amount of the CGU to which the asset belongs is determined. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.
Goodwill	The impairment test for goodwill is performed at the lowest level within the entity at which goodwill is monitored for internal management purposes, provided that the unit or group of units to which goodwill is allocated is not larger than an operating segment as reported in accordance with IFRS 8.
Interpretations	Refer to IAS 34 for a summary of IFRIC 10 *Interim Financial Reporting and Impairment.*
Changes effective this year	None

Pending changes	In March 2020, the IASB published DP/2020/1 *Business Combinations—Disclosures, Goodwill and Impairment.* In the DP, the IASB is proposing to develop enhanced disclosure requirements to improve the information entities provide to investors about the businesses those entities buy. This includes proposals to require entities to disclose management's objectives for acquisitions in the year of acquisition and how acquisitions have performed against those objectives in subsequent periods. The IASB is also proposing that amortisation of goodwill should not be reintroduced. To simplify the impairment test, the IASB's view is that amendments should be proposed to provide relief from the annual impairment test of cash-generating units containing goodwill if there are no impairment indicators and simplify how value in use is estimated.

IAS 37	***Provisions, Contingent Liabilities and Contingent Assets***
Overview	Sets out recognition criteria and measurement bases for provisions, contingent liabilities and assets and the related disclosure requirements.
Provisions	A provision is recognised when a past event (the obligation event) has created a legal or constructive obligation, an outflow of resources is probable and the amount of the obligation can be estimated reliably. The amount recognised is the best estimate of the settlement amount at the end of the reporting period. If the effect of the time value of money is material, such as might be the case for restoration or decommissioning costs that must be settled well into the future, the provision is measured at the present value of the expenditures expected to be required to settle the obligation. The unwinding of the discount is recognised in profit or loss as a finance cost. Provisions are reviewed at the end of each reporting period to adjust for changes in the estimate, for other than the time value of money. Planned future expenditure, even when authorised by the IASB of directors or equivalent governing body, is excluded from recognition, as are accruals for self-insured losses, general uncertainties and other events that have not yet taken place. On a similar basis, future operating losses cannot be recognised as a provision, because there is no obligation at the end of the reporting period. The expectation of future operating losses will trigger the need for an impairment review (see IAS 36).

Onerous contracts	An executory contract is a contract (or a portion of a contract) that is equally unperformed—neither party has fulfilled any of its obligations, or both parties have partially fulfilled their obligations to an equal extent. Examples include maintenance or service contracts and employee contracts. The asset and liability are combined so that no asset or liability is recognised in the statement of financial position. An executory contract becomes onerous when the unavoidable costs of meeting the obligations exceed the expected economic benefits from it. This would be the case, for example, when an entity cannot cancel, and must continue to pay for, a cleaning contract even though it has vacated the premises to which the contract relates. An onerous contract gives rise to a provision. Care must be taken, however, not to include in the provision future operating losses.
Contingent liabilities	Contingent liabilities are not recognised, but are disclosed, unless the possibility of outflow is remote. They are not recognised because either it is only a possible obligation that is contingent on a future event that is outside the control of the entity or there is a present obligation, but it is not probable that an outflow of resources will be required or the amount cannot be measured with sufficient reliability (which will be rare).
Contingent assets	A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by future events not wholly within the control of the entity. Contingent assets require disclosure only. If the realisation of income is virtually certain, the related asset is not a contingent asset and recognition is required.

Interpretations	IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities* clarifies that provisions are adjusted for changes in the amount or timing of future costs and for changes in the market-based discount rate. IFRIC 5 *Rights to Interests Arising from Decommissioning, Restoration and Environmental Funds* deals with the accounting, in the financial statements of the contributor, for interests in decommissioning, restoration and environmental rehabilitation funds established to fund some or all of the costs of decommissioning assets or to undertake environmental rehabilitation. IFRIC 6 *Liabilities arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment* provides guidance on the accounting for liabilities for waste management costs. The event that triggers liability recognition is participation in the market during a measurement period. IFRIC 21 *Levies* provides guidance on when to recognise a liability for a levy imposed by a government. The obligating event is the activity that triggers the payment of the levy. If that event occurs over a period of time the liability is recognised progressively. If the levy is triggered on reaching a minimum threshold, the liability is recognised when that minimum is reached.
Changes effective this year	In May 2020, the IASB published *Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37).* The amendments specify that the cost of fulfilling a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendments are effective for annual periods beginning on or after 1 January 2022.

Pending changes	A project on pollutant pricing mechanisms has been added to the IASB's reserve list. The project will aim to develop specific requirements for pollutant pricing mechanisms. Initial research will consider whether the project should aim to address all types of pollutant pricing mechanisms, or only some, such as emission trading schemes and accounting by traders and scheme administrators, or limit the project to companies that are required to (or choose to) participate in such schemes. Projects on the reserve list will be added to the work plan if, and only if, additional capacity becomes available before the IASB's next five-yearly agenda consultation. The IASB has on its standard-setting programme a project to make targeted improvements to IAS 37.

IAS 38	***Intangible Assets***
Overview	Prescribes the accounting treatment for recognising, measuring and disclosing intangible assets that are not dealt with in another IFRS Standard.
Definition	An intangible asset is an identifiable non-monetary asset without physical substance. Examples include software, brands, music and film rights and development assets.
Recognition	Intangible assets are recognised if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. There are specific recognition criteria for internally-generated intangible assets. All research costs are charged to expense when incurred. Development costs are capitalised only after technical and commercial feasibility of the resulting product or service have been established. Internally-generated goodwill, brands, mastheads, publishing titles, customer lists, start-up costs, training costs, advertising costs and relocation costs are never recognised as assets. If an intangible item does not meet the definition and the recognition criteria, the costs are recognised as an expense when incurred. If an entity recognises a prepayment asset for advertising or promotional expenditure, it is only able to do so up to the point at which it has the right to access the goods purchased or up to the point of receipt of services. Mail order catalogues are specifically identified as a form of advertising and promotional activities, and are expensed when they are received.
Subsequent measurement	Intangible assets are classified as having either a finite or indefinite life. Indefinite means that there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows, not infinite. Intangible assets may be accounted for using a cost model or, in limited cases, a revaluation model.

Cost model	Assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Normally, subsequent expenditure on an intangible asset after its purchase or completion is recognised as an expense. The cost of an intangible asset with a finite useful life is amortised over that life, normally to a nil residual value. Impairment testing under IAS 36 is required whenever there is an indication that the carrying amount exceeds the recoverable amount of the intangible asset. Intangible assets with indefinite useful lives are not amortised but are tested for impairment on an annual basis. If the recoverable amount is lower than the carrying amount, an impairment loss is recognised. The entity also considers whether the intangible continues to have an indefinite life.
Revaluation model	If an intangible asset has a quoted market price in an active market, a revaluation model can be used. The asset is carried at fair value at revaluation date less any subsequent amortisation or impairment. Revaluations must be carried out regularly. When the revaluation model is used, all items of a given class must be revalued. However, if there is no active market for a particular asset within that class that asset is measured using the cost model. Revaluation increases are recognised in other comprehensive income and accumulated in equity. Revaluation decreases are charged first against the revaluation surplus in equity related to the specific asset, and any excess against profit or loss. When the revalued asset is disposed of, the revaluation surplus remains in equity and is not reclassified to profit or loss.
Interpretations	SIC-32 *Intangible Assets—Web Site Costs* clarifies which initial infrastructure development and graphic design costs incurred in web site development are capitalised.
Changes effective this year	None

Pending changes	The IASB has added a project on intangible assets to its research project pipeline. This project will aim to review comprehensively the accounting requirements for intangible assets. Initial research will seek to identify the scope of the project and how best to stage work on this topic to deliver timely improvements to IFRS Standards. Research pipeline projects are projects that the IASB expects to start work on before its next five-yearly agenda consultation.

IAS 39	***Financial Instruments: Recognition and Measurement***
Overview	Sets out the requirements for hedge accounting. An entity can elect to apply these requirements or those in IFRS 9.
Hedge accounting	Hedge accounting (recognising the offsetting effects of both the hedging instrument and the hedged item in the same period's profit or loss) is permitted if the hedging relationship is clearly designated and documented, measurable and effective. Because IFRS 9 includes only general hedge accounting requirements, the requirements on portfolio hedges in IAS 39 remain applicable.
Fair value hedge	When there is a hedge of a change in fair value of a recognised asset or liability or firm commitment, the change in fair values of both the hedging instrument and the hedged item for the designated risk are recognised in profit or loss when they occur and the carrying amount of the hedged item is adjusted to reflect changes in the hedged risk.
Cash flow hedge	When an entity hedges changes in the future cash flows relating to a recognised asset or liability or a highly probable forecast transaction that involves a party external to the entity, or a firm commitment in some cases, then the change in fair value of the hedging instrument is recognised in other comprehensive income to the extent that the hedge is effective until such time as the hedged future cash flows occur.
Hedge of a net investment in a foreign entity	This relates to a net investment in a foreign operation (as defined in IAS 21), including a hedge of a monetary item that is accounted for as part of the net investment. The accounting for such a hedge is similar to a cash flow hedge.
Intragroup hedges	The foreign currency risk of a highly probable forecast intragroup transaction can qualify as the hedged item in a cash flow hedge in the consolidated financial statements, provided that the transaction is denominated in a currency other than the functional currency of the entity entering into that transaction and the foreign currency risk will affect the consolidated profit or loss. If the hedge of a forecast intragroup transaction qualifies for hedge accounting, any gain or loss that is recognised in other comprehensive income in accordance with the hedging rules in IAS 39 is reclassified from equity to profit or loss in the same period or periods in which the foreign currency risk of the hedged transaction affects profit or loss.

Portfolio Hedge	A portfolio hedge of interest rate risk (hedging an amount rather than a specific asset or liability) can qualify as a fair value hedge or a cash flow hedge if specified conditions are met.
Interpretations	None
Changes effective this year	None
Pending changes	IFRS 9 does not replace the requirements for portfolio fair value hedge accounting for interest rate risk (often referred to as the 'macro hedge accounting' requirements). The IASB is currently developing an ED.

IAS 40	***Investment Property***
Overview	Prescribes the accounting when property is held to earn rentals or for capital appreciation rather than being occupied by the owner for the production or supply of goods or services or for administrative purposes.
Investment property	An investment property is land or buildings (or part thereof) or both held (whether by the owner or by a lessee under a finance lease) to earn rentals or for capital appreciation or both. IAS 40 does not apply to owner-occupied property, property that is being constructed or developed on behalf of third parties, property held for sale in the ordinary course of business or property that is leased to another entity under a finance lease. Mixed-use property (partly used by the owner and partly held for rental or appreciation) must be split with components accounted for separately if these portions could be sold separately. A property interest held by a lessee under an operating lease can qualify as investment property if the lessee applies the fair value model. The lessee accounts for the lease as if it were a finance lease. Property can be transferred in or out of investment property, but only if the entity has actually changed its use—intention to change is not sufficient. When an investment property carried at fair value is transferred to owner-occupied property or inventories, the property's fair value is the deemed cost for subsequent accounting in accordance with IAS 16 or IAS 2.
Initial measurement	An investment property is measured initially at cost. Transaction costs are included in the initial measurement.
Subsequent measurement	An entity chooses either the fair value model or the cost model after initial recognition. The chosen measurement model is applied to all of the entity's investment property. Change from one model to the other is permitted if it will result in a more appropriate presentation (which is highly unlikely for change from fair value to cost model).

Fair value model	Investment property is measured at fair value and changes in fair value are recognised in profit or loss. If an entity using the fair value model acquires a particular property for which there is clear evidence that the entity will not be able to determine fair value on a continuing basis, the cost model is used for that property—and it must continue to be used until disposal of the property.
Cost model	Investment property is measured at depreciated cost less any accumulated impairment losses unless it is classified as a non-current asset held for sale under IFRS 5. The fair value of the investment property must be disclosed.
Interpretations	None
Changes effective this year	None
Pending changes	None

IAS 41	*Agriculture*
Overview	Prescribes the accounting for agricultural activity.
Agricultural activity	Agricultural activity is the management of the biological transformation and harvest of biological assets for sale or for conversion into agricultural produce or into additional biological assets. Bearer plants that are used in the production or supply of agricultural produce and which will not be sold as agricultural produce are accounted for as PP&E, applying IAS 16. These include fruit trees and grape vines.
Measurement	All biological assets are measured at fair value less costs to sell, unless fair value cannot be measured reliably. Agricultural produce is measured at fair value less costs to sell at the point of harvest. Because harvested produce is a marketable commodity, there is no 'measurement reliability' exception for produce. Fair value measurement stops at harvest, after which IAS 2 applies. Any change in the fair value of biological assets during a period is reported in profit or loss.
Interpretations	None
Changes effective this year	In May 2020, the IASB issued *Annual Improvements to IFRS Standards 2018-2020.* As part of these annual improvements, the IASB removed the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted.
Pending changes	None

Additional Interpretations

IFRIC 12 and IFRIC 17 are summarised separately, because they draw from several Standards and are more complex than most Interpretations.

IFRIC 12	***Service Concession Arrangements***
Overview	To address the accounting by private sector operators involved in the provision of public sector infrastructure assets and services. The Interpretation does not address the accounting for the government (grantor) side of such arrangements.
Infrastructure assets	Infrastructure assets that are not controlled by an operator are not recognised as property, plant and equipment of the operator. Instead, the operator recognises a financial asset when the operator has an unconditional right to receive a specified amount of cash or other financial asset over the life of the arrangement; an intangible asset—when the operator's future cash flows are not specified (e.g. when they will vary according to usage of the infrastructure asset); or both a financial asset and an intangible asset when the operator's return is provided partially by a financial asset and partially by an intangible asset.
Interpretations	SIC-29 *Service Concession Arrangements: Disclosures* sets out disclosure requirements for service concession arrangements.
Changes effective this year	None
Pending changes	None

IFRIC 17	***Distributions of Non-cash Assets to Owners***
Overview	To address the accounting when non-cash assets are distributed to owners.
Dividends	A dividend payable must be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity. An entity measures the non-cash dividend payable at the fair value of the assets to be distributed. The liability is measured at each reporting date with changes recognised directly in equity. The difference between the dividend paid and the carrying amount of the assets distributed is recognised in profit or loss.
Changes effective this year	None
Pending changes	None

Practice Statements

Practice Statement 1	***Management Commentary***
Overview	Assists management in presenting useful management commentary that relates to financial statements that have been prepared in accordance with IFRS Standards.
Status	The Practice Statement is not an IFRS Standard. Consequently, entities applying IFRS Standards are not required to comply with the Practice Statement, unless specifically required by their jurisdiction.
Management commentary	Management commentary is defined in the Practice Statement as a narrative report that relates to financial statements that have been prepared in accordance with IFRS Standards. Management commentary provides users with historical explanations of the amounts presented in the financial statements, specifically the entity's financial position, financial performance and cash flows. It also provides commentary on an entity's prospects and other information not presented in the financial statements. Management commentary also serves as a basis for understanding management's objectives and its strategies for achieving those objectives.
Presentation	Management commentary should be clear and straightforward and be presented with a focus on the most important information in a manner intended to address the principles described in the Practice Statement, specifically: • Being consistent with its related financial statements • Avoiding duplicating disclosures made in the notes to the financial statements where practicable • Avoiding generic and immaterial disclosures

Elements of management commentary	Although the particular focus of management commentary will depend on the facts and circumstances of the entity, management commentary should include information that is essential to an understanding of the following five elements: • The nature of the business • Management's objectives and its strategies for meeting those objectives • The entity's most significant resources, risks and relationships • The results of operations and prospects • The critical performance measures and indicators that management uses to evaluate the entity's performance against stated objectives
Interpretations	None
Changes effective this year	None
Pending changes	In May 2021, the IASB issued ED/2021/6 *Management Commentary,* proposing a revision of the Practice Statement, as it has decided it should play a more active role in wider corporate reporting. In particular, as specialists in financial reporting, it concluded it is well placed to provide a link between financial and non-financial information. The IASB determined that an appropriate way to do this is a wholesale revision of the Practice Statement. One of the key points that the IASB wishes to address is promoting alignment between financial and 'other' information disclosed by an entity. This new approach to management commentary could both encourage and support further change, serving as an anchoring point for other updated standards and frameworks, for example integrated reports or management reports required by jurisdictions.

Practice Statement 2	***Making Materiality Judgements***
Overview	Assists management in presenting financial information about the entity that is useful to existing and potential investors, lenders and other creditors in making decisions about providing resources to the entity.
Status	The Practice Statement is not an IFRS Standard. Consequently, entities applying IFRS Standards are not required to comply with the Practice Statement, unless specifically required by their jurisdiction.
Definition of material	Information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about a specific reporting entity. In other words, materiality is an entity-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual entity's financial report.
Pervasiveness of materiality judgements	The Practice Statement notes that the need for materiality judgements is pervasive in the preparation of financial statements and affects recognition, measurement, presentation and disclosure. Thus an entity is only required to apply recognition and measurement requirements when the effect of applying them is material and need not provide a disclosure specified by an IFRS Standard if the information resulting from that disclosure is not material.
Judgement	When assessing whether information is material, an entity considers its own specific circumstances and the information needs of the primary users of its financial statements. Materiality judgements are reassessed at each reporting date.

Primary users and their information needs	Primary users of an entity's financial statements are existing and potential investors, lenders and other creditors. They can be expected to have a reasonable knowledge of business and economic activities and to review and analyse the information included in the financial statements diligently. The objective of financial statements is to provide these primary users with financial information that is useful to them in making decisions about providing resources to the entity. Therefore, an entity also needs to consider what type of decisions these users have to make. However, general purpose financial statements are not intended to address specialised information needs, they focus on common information needs.
Four-step process	The Practice Statement notes that an entity may find it helpful to follow a systematic process in making materiality judgements and offers an example of such a process: • Step 1—The entity identifies information that has the potential to be material • Step 2—The entity assesses whether that information is material • Step 3—The entity organises the information within the draft financial statements in a manner that supports clear and concise communication • Step 4—The entity steps back and assesses the information provided in the draft financial statements as a whole
Interpretations	None
Changes effective this year	None
Pending changes	The IASB published amendments to IAS 1 and IFRS Practice Statement 2 titled *Disclosure of Accounting Policies.* The amendments to IAS 1 are effective for annual reporting periods that begin on or after 1 January 2023. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements. Applying the amendments to IAS 1, an entity discloses its material accounting policies, instead of its significant accounting policies. To support the amendments, the IASB has developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Requirements that are not yet mandatory

IFRS 17	***Insurance Contracts***
Overview	Establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts.
Insurance and reinsurance contracts	IFRS 17 specifies how an entity recognises, measures, presents and discloses insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. An insurance contract is one in which the issuer accepts significant insurance risk by agreeing to compensate the policyholder for the insured event. A reinsurance contract is an insurance contract issued by the reinsurer to compensate another entity for claims arising from one or more insurance contracts it holds as an issuer.
Aggregation of insurance contracts	Entities must identify portfolios of insurance contracts, being those contracts that have similar risks and are managed together, such as within a product line. Each portfolio is divided into groups of insurance contracts on the basis of, at a minimum, those that at initial recognition are onerous, have no significant possibility of becoming onerous subsequently or do not fall into either category. Groups of insurance contracts cannot include contracts issued more than one year apart.
Recognition	A group of insurance contracts is recognised from the earlier of the beginning of its coverage period or the date when the first payment from a policyholder in the group becomes due, or for a group of onerous contracts, when the group becomes onerous.

Initial measurement	On initial recognition, an entity measures a group of insurance contracts at the total of the group's fulfilment cash flows (FCF) and the contractual service margin (CSM). The FCF comprises an estimate of future cash flows, an adjustment to reflect the time value of money and the financial risks associated with the future cash flows and a risk adjustment for non-financial risk. The CSM is the unearned profit of the group of insurance contracts that the entity will recognise as it provides services in the future. The CSM of a group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. The net outflow expected from a group of contracts determined to be onerous on initial recognition is recognised at that date in profit or loss. For profitable contracts, the CSM is measured on initial recognition at an amount that results in no income or expenses arising from the initial recognition of the FCF, the derecognition at that date of any asset or liability recognised for insurance acquisition cash flows and any cash flows arising from the contracts in the group at that date. IFRS 17 also requires an entity to include in the initial measurement of the CSM of a group of insurance contracts the effect of the derecognition of any asset or liability previously recognised for cash flows related to that group paid or received before the group is recognised. This also applies to assets and liabilities previously recognised because of the requirements of another IFRS Standard even if no cash flows have been paid or received. An entity is required to use a systematic and rational method to allocate the insurance acquisition cash flows that are directly attributable to a group of insurance contracts to that group and to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group. Insurance acquisition cash flows that are directly attributable to a portfolio of insurance contracts, but that are not directly attributable to individual contracts or groups of contracts, are allocated based on a systematic and rational method to groups in the portfolio. An entity recognises those cash flows as an asset until the groups of related contract renewals or groups expected to be in the portfolio are recognised.

Subsequent measurement	The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage (comprising the FCF related to future services and the CSM at that date) and the liability for incurred claims. The CSM is adjusted at the end of each reporting period to reflect the change in fulfilment cash flows on a group of insurance contracts that relates to the future service to be provided. Revenue is comprised of the amount of premium that compensates for insurance service expense (as expected at the beginning of the reporting period) and the release of CSM based on the amount of service provided in the period expressed in coverage units. The CSM is allocated to coverage units considering the quantities of benefits and expected period of both insurance coverage and any investment-return or investment-related service. The CSM is released in full over the coverage period. Direct participating contracts are contracts that create an obligation for the entity to pay to the policyholder an amount equal to the underlying items less a variable fee. The variable fee comprises the entity's share of the fair value of the underlying items less amounts payable to the policyholder that do not vary based on the underlying items. The general measurement model is modified for such contracts. This modification is referred to as the Variable Fee Approach. For groups of contracts with a coverage period of less than one year, or where it is reasonably expected to produce a liability measurement that would not differ materially from the general approach under IFRS 17, a simplified Premium Allocation Approach can be applied. Specific measurement requirements apply to onerous insurance contracts, reinsurance contracts and investment contracts with discretionary participation features.

Presentation in the statement of financial performance	Amounts recognised in the statement of financial performance are disaggregated into an insurance service result and insurance finance income or expenses. The insurance service result is presented in profit or loss and comprises revenue and insurance service expenses. Revenue arises from the provision of insurance contract services and the amortisation of insurance acquisition cash flows. Insurance service expenses comprise: • Incurred claims (excluding repayments of investment components) and other incurred insurance service expenses • Amortisation of insurance acquisition cash flows • Changes that relate to past service, i.e. changes in fulfilment cash flows relating to the liability for incurred claims • Changes that relate to future service, i.e. losses on groups of contracts and reversals of such losses Income or expenses from reinsurance contracts held are presented separately from the expenses or income from insurance contracts issued. Insurance finance income or expenses reflects changes from the effect of the time value of money and financial risk (excluding any such changes for groups of insurance contracts with direct participating insurance contracts that would instead adjust the CSM). Entities can choose to present all insurance finance income or expenses in profit or loss or to present in profit or loss only an amount determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of a group of contracts. If the latter option is taken, the remaining insurance finance income or expense is presented in other comprehensive income.

Presentation in the statement of financial position	Separate presentation is required of insurance and reinsurance contracts issued, further separated into those that are assets and those that are liabilities. The presentation in the statement of financial position is on a portfolio level.
Disclosure	Quantitative and qualitative information is required about the amounts recognised in the financial statements that arise from insurance contracts, the significant judgements, and changes in those judgements, made when applying IFRS 17 and the nature and extent of risks arising from insurance contracts.
Pending changes	In June 2020, the IASB issued *Amendments to IFRS 17,* which make targeted amendments to certain aspects of IFRS 17, including a deferral to 1 January 2023 of the effective date of IFRS 17 and the fixed expiry date for the temporary exception in IFRS 4 from applying IFRS 9. In December 2021, the IASB issued a further amendment to IFRS 17 titled *Initial Application of IFRS 9 and IFRS 17—Comparative Information,* which made a narrow-scope amendment to the transition requirements of IFRS 17. Both amendments will become effective when IFRS 17 becomes effective.

IFRS Foundation projects

The IFRS Foundation updates its work plan each month, which can be viewed at www.ifrs.org/projects/work-plan/

You can follow progress on the IFRS Foundation's projects on IAS Plus. Previews of the agenda papers are available on IAS Plus about a week before each meeting, and summaries of the discussions and decisions reached are available shortly after each meeting: https://www.iasplus.com/en/meeting-types.

The information in the following tables reflects the work plan at 30 September 2022.

Standard/ Interpretation	Topic	Description
IFRS 3	Goodwill and Impairment	In March 2020, the IASB published DP/2020/1 *Business Combinations—Disclosures, Goodwill and Impairment.* In the DP, the IASB is proposing to develop enhanced disclosure requirements to improve the information entities provide to investors about the businesses those entities buy. This includes proposals to require entities to disclose management's objectives for acquisitions in the year of acquisition and how acquisitions have performed against those objectives in subsequent periods. The IASB is also proposing that amortisation of goodwill should not be reintroduced. To simplify the impairment test, the IASB's view is that amendments should be proposed to provide relief from the annual impairment test of cash-generating units containing goodwill if there are no impairment indicators and simplify how value in use is estimated.

Standard/ Interpretation	Topic	Description
IFRS 3	Business Combinations under Common Control	In November 2020, the IASB issued DP/2020/2 *Business Combinations under Common Control*. The DP examines how to account for business combinations in which all of the combining businesses are ultimately controlled by the same party, both before and after the combination.
IFRS 6	Extractive Activities	The IASB is exploring whether to develop requirements or guidance to improve the disclosure objectives and requirements in IFRS 6 relating to an entity's exploration and evaluation expenditure and activities. The IASB is also exploring whether to remove the temporary status of IFRS 6.
IFRS 7	Supplier Finance Arrangements	In November 2021, the IASB issued ED/2021/10 *Supplier Finance Arrangements (Proposed amendments to IAS 7 and IFRS 7)*, which proposes to amend IFRS 7 to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.
IFRS 8	Operating Segments	This project on the IASB's reserve list will aim to research the underlying causes of users' concerns about the granularity of segment information that entities provide and the feasibility (including costs to preparers) of potential solutions that could be implemented without reconsidering whether to use the management approach to determine an entity's operating segments.

Standard/ Interpretation	Topic	Description
IFRS 9	Dynamic Risk Management	The IASB is researching and assessing how to replace the remaining sections of IAS 39 that deal with macro-hedging. A DP was issued in 2014. The IASB is currently developing an ED.
	Post-implementation Review	In September 2021, the IASB published an RFI on the PIR of the IFRS 9 classification and measurement requirements. The IASB is also undertaking a PIR of the impairment requirements in IFRS 9. In the second half of 2023, the IASB will consider when to begin the PIR of the hedge accounting requirements in IFRS 9.
	Contractual Cash Flow Characteristics of Financial Assets	In response to comments received during the PIR of the classification and measurement requirements of IFRS 9, the IASB initiated a project to clarify particular aspects of the IFRS 9 requirements for assessing a financial asset's contractual cash flow characteristics (i.e. the SPPI requirements). An ED proposing amendments to IFRS 9 is expected early in 2023.

Standard/ Interpretation	Topic	Description
IFRS 9	Amortised Cost Measurement	This project is in the IASB's research pipeline and will aim to review matters relating to the requirements in IFRS 9 for amortised cost measurement that have been identified through the PIR of IFRS 9—Classification and Measurement. In particular, it will consider modifications of financial assets and liabilities, the application of the effective interest method to floating rate financial instruments and the interaction of these two areas. The project may also consider any additional findings from the PIR of IFRS 9—Impairment.
IFRS 10	Sale and Leaseback of an Asset in a Single-Asset Entity	The IASB will consider whether to add a narrow-scope project to its work plan to specify how an entity accounts for the sale of a subsidiary when the entity leases back one or more of the assets held by the subsidiary.
IFRS 13	Disclosure Initiative—Targeted Standards-level Review of Disclosures	In March 2021, the IASB published ED/2021/3 *Disclosure Requirements in IFRS Standards—A Pilot Approach (Proposed amendments to IFRS 13 and IAS 19)*. The ED presents draft guidance which the IASB would use to develop disclosure requirements that result in entities providing information which is more useful for decision-making in financial statements. The IASB decided to test the draft guidance on two Standards, IFRS 13 and IAS 19, by reviewing the disclosure requirements in those Standards with reference to the draft guidance. Based on this, the IASB developed draft amendments to the disclosure requirements in IFRS 13 and IAS 19, also included in the ED.

Standard/ Interpretation	Topic	Description
IFRS 14	Rate-regulated Activities	In January 2021, the IASB published ED/2021/1 *Regulatory Assets and Regulatory Liabilities* proposing a new Standard that is intended to replace IFRS 14 by introducing a comprehensive accounting model for regulatory assets and liabilities. The new Standard is proposed to apply when the entity is party to a regulatory agreement that determines the regulated rate the entity can charge for the goods or services it supplies to customers. Regulatory assets and liabilities arise when part or all of the total allowed compensation for goods or services supplied in one period is charged to customers through the regulated rates for goods or services supplied in a different past or future period. An entity recognises all regulatory assets and liabilities under the proposals, and as a result, regulatory income and expense. Regulatory assets and liabilities would be measured at historical cost, modified for subsequent measurement by using updated estimates of the amount and timing of future cash flows. The estimated future cash flows of a regulatory asset or liability would be discounted to their present value by using the regulatory interest rate.
IFRS 15	Post-implementation Review	The IASB is currently undertaking a PIR of IFRS 15.

Standard/ Interpretation	Topic	Description
IFRS 16	Post-implementation Review	The IASB will consider when to begin the PIR of IFRS 16 in the second half of 2023.
	Sale and Leaseback of an Asset in a Single-Asset Entity	The IASB will consider whether to add a narrow-scope project to its work plan to specify how an entity accounts for the sale of a subsidiary when the entity leases back one or more of the assets held by the subsidiary.
IAS 1	Primary Financial Statements	In December 2019, the IASB published ED/2019/7 *General Presentation and Disclosures,* which proposes to issue a new IFRS Standard, replacing IAS 1, and amend some IFRS Standards to reflect these proposals. The new Standard would require entities to: • Present new defined subtotals in the statement of profit or loss • Disaggregate information in a better way • Disclose information about some performance measures defined by management ('non-GAAP' measures)

Standard/ Interpretation	Topic	Description
IAS 1	Non-current Liabilities with Covenants	In November 2021, the IASB issued ED/2021/9 *Non-current Liabilities with Covenants (Proposed amendments to IAS 1),* which proposes to amend IAS 1 to specify that conditions an entity must comply with in the twelve months after the reporting period do not affect classification of the corresponding liability as current or non-current. The ED also proposes additional disclosure on the conditions an entity is required to comply with after the reporting period. The amendments are expected to be finalised in November 2022.
IAS 7	Supplier Finance Arrangements	In November 2021, the IASB issued ED/2021/10 *Supplier Finance Arrangements (Proposed amendments to IAS 7 and IFRS 7),* which proposes to amend IAS 7 to introduce a disclosure objective requiring entities to provide information in the notes that enables users of financial statements to assess the effects of supplier finance arrangements on their liabilities and cash flows. The ED also specifies the qualitative and quantitative disclosures an entity would need to provide to meet the proposed disclosure objective. The term 'supplier finance arrangements' would not be defined and instead the proposed amendments describe the characteristics of an arrangement for which an entity would be required to provide the proposed information.

Standard/ Interpretation	Topic	Description
IAS 7	Primary Financial Statements	In December 2019, the IASB published ED/2019/7 *General Presentation and Disclosures,* which proposes a new IFRS Standard that would replace IAS 1. The ED also proposes consequential amendments to IAS 7, including that entities would no longer have a choice as to where to present cash flows from dividends and interest. It would also require that the reconciliation presented using the indirect method would reconcile to "operating profit or loss", a new subtotal proposed for the statement of comprehensive income by the ED.
	Statement of Cash Flows and Related Matters	As part of its initial work on this project in the IASB's research pipeline, the IASB will consider whether the project should aim to review IAS 7 comprehensively or make more targeted improvements.
IAS 8	Primary Financial Statements	In December 2019, the IASB published ED/2019/7 *General Presentation and Disclosures,* which proposes a new IFRS Standard that would replace IAS 1. Paragraphs of IAS 1 that relate to the general features of financial statements are moved to IAS 8. To reflect the change to IAS 8, the IASB proposes to rename IAS 8 *"Basis of Preparation, Accounting Policies, Changes in Accounting Estimates and Errors".*

Standard/ Interpretation	Topic	Description
IAS 19	Disclosure Initiative—Targeted Standards-level Review of Disclosures	In March 2021, the IASB issued ED/2021/3 *Disclosure Requirements in IFRS Standards—A Pilot Approach (Proposed amendments to IFRS 13 and IAS 19).* The ED presents draft guidance which the IASB would use to develop disclosure requirements that result in entities providing information which is more useful for decision-making in financial statements. The IASB decided to test the draft guidance on two Standards, IFRS 13 and IAS 19, by reviewing the disclosure requirements in those Standards with reference to the draft guidance. Based on this, the IASB developed draft amendments to the disclosure requirements in IFRS 13 and IAS 19, also included in the ED.
IAS 21	Lack of Exchangeability	In April 2021, the IASB issued ED/2021/4 *Lack of Exchangeability,* which proposes to amend IAS 21 to specify when a currency is exchangeable into another currency and, consequently, when it is not. The amendments, if finalised, would also specify how an entity determines the exchange rate to apply when a currency is not exchangeable.
IAS 28	Equity Method	The IASB has decided to undertake a limited-scope project with the objective to assess whether application problems with the equity method as set out in IAS 28 can be addressed by identifying and explaining the principles of IAS 28.

Standard/ Interpretation	Topic	Description
IAS 32	Financial Instruments with Characteristics of Equity	The IASB is exploring whether it can improve the requirements in IAS 32 for classifying financial instruments into equity and liabilities and issued a DP in 2018. After reviewing the responses to the DP, the IASB decided to develop amendments to IAS 32 to address practice issues, clarify the underlying principles in IAS 32 and develop additional application guidance.
IAS 36	Goodwill and Impairment	In March 2020, the IASB published DP/2020/1 *Business Combinations—Disclosures, Goodwill and Impairment.* In the DP, the IASB is proposing to develop enhanced disclosure requirements to improve the information entities provide to investors about the businesses those entities buy. This includes proposals to require entities to disclose management's objectives for acquisitions in the year of acquisition and how acquisitions have performed against those objectives in subsequent periods. The IASB is also proposing that amortisation of goodwill should not be reintroduced. To simplify the impairment test, the IASB's view is that amendments should be proposed to provide relief from the annual impairment test of cash-generating units containing goodwill if there are no impairment indicators and simplify how value in use is estimated.

Standard/ Interpretation	Topic	Description
IAS 37	Provisions	In January 2020, the IASB added to its standard-setting programme a project to amend aspects of IAS 37. The scope of the project comprises: • Aligning the IAS 37 liability definition and requirements for identifying liabilities with the *Conceptual Framework* • Clarifying which costs to include in the measure of a provision • Specifying whether the rate at which an entity discounts a provision for the time value of money should reflect the entity's own credit risk
	Pollutant Pricing Mechanisms	This project on the IASB's reserve list will aim to develop specific requirements for pollutant pricing mechanisms. Initial research will consider whether the project should aim to address all types of pollutant pricing mechanisms, or only some, such as emission trading schemes accounting by traders and scheme administrators or limit the project to companies that are required to (or choose to) participate in such schemes.
IAS 39	Dynamic Risk Management	The IASB is researching and assessing how to replace the remaining sections of IAS 39 that deal with macro-hedging. A DP was issued in 2014. The IASB is currently developing an ED.

Standard/ Interpretation	Topic	Description
Practice Statement 1	Management Commentary	In May 2021, the IASB issued ED/2021/6 *Management Commentary*, proposing a revision of the Practice Statement, as it has decided it should play a more active role in wider corporate reporting. In particular, as specialists in financial reporting, it concluded it is well placed to provide a link between financial and non-financial information. The IASB determined that an appropriate way to do this is a wholesale revision of the Practice Statement. One of the key points that the IASB wishes to address is promoting alignment between financial and 'other' information disclosed by an entity. This new approach to management commentary could both encourage and support further change, serving as an anchoring point for other updated standards and frameworks, for example integrated reports or management reports required by jurisdictions.

Standard/ Interpretation	Topic	Description
Cross-cutting	Climate-related Risks in the Financial Statements	This project in the IASB's maintenance project pipeline will aim to: • Research the causes of stakeholders' concerns about inconsistent application and insufficient information • Research whether the IFRS Foundation's educational material on the effects of climate-related matters on financial statements and the application of the ISSB's future standard on climate-related disclosures help to address these concerns • Consider whether and, if so, what narrow-scope actions might be needed
	Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures	In July 2021, the IASB published ED/2021/7 *Subsidiaries without Public Accountability: Disclosures.* In the ED, the IASB proposes a new IFRS Standard that would permit a subsidiary to provide reduced disclosures when applying IFRS Standards in its financial statements. A subsidiary would be eligible for the reduced disclosures if it does not have public accountability and its ultimate or any immediate parent produces consolidated financial statements available for public use that comply with IFRS Standards. The new Standard would be optional for subsidiaries that are eligible. It would set out the disclosure requirements for subsidiaries that elect to apply it and the disclosure requirements in IFRS Standards that do not apply and are replaced by the draft Standard.

Standard/ Interpretation	Topic	Description
IFRS Taxonomy	Updates	The IASB is continuously updating the IFRS Taxonomy for any changes in IFRS requirements.
IFRS for SMEs Accounting Standard	Second Comprehensive Review	In September 2022, the IASB published IASB/ED/2022/1 *Third edition of the* IFRS for SMEs *Accounting Standard.* The ED proposes several amendments to the Standard, including alignment of the Standard with the *Conceptual Framework,* IFRS 3, IFRS 10 and IFRS 15, partial alignment of the Standard with IFRS 9 and IFRS 11 and addition of a section on fair value measurement.
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	In March 2022, the ISSB published ED/2022/S1 *General Requirements for Disclosure of Sustainability-related Financial Information* proposing a new Standard that sets out overall requirements with the objective of disclosing sustainability-related financial information that is useful to the primary users of the entity's general purpose financial reporting when they assess the entity's enterprise value and decide whether to provide resources to it.
IFRS S2	Climate-related Disclosures	In March 2022, the ISSB published ED/2022/S2 *Climate-related Disclosures* proposing a Standard that sets out the requirements for identifying, measuring and disclosing climate-related risks and opportunities.

Deloitte IFRS resources

In addition to this publication, we have a range of tools and publications to assist in implementing and reporting under IFRS Standards.

Websites

www.deloitte.com

www.iasplus.com

Publications

iGAAP	Deloitte iGAAP publications set out comprehensive guidance for entities reporting under IFRS Standards and for entities considering whether to move to IFRS Standards in the near future. The publications are available online at dart.deloitte.com/iGAAP.
iGAAP in Focus	Published at the time of release of new and revised Standards and Interpretations, EDs and discussion documents, including summaries of the documents and consideration of the principal amendments/ proposals.
Purpose-driven Business Reporting in Focus	*Purpose-driven Business Reporting in Focus* is a partner publication to *iGAAP in Focus.* It provides updates on developments in purpose-driven business practices that are impacting corporate reporting, including progress towards sustainability standards. This publication is aimed at preparers of corporate reports, as well as their users and auditors.
A Closer Look	*A Closer Look* provides detailed analysis of particular aspects of key projects and other developments of the IASB, focusing on topics of wide interest.
IFRS on Point	A monthly summary of financial reporting developments.

Model financial statements and checklists	Model IFRS financial statements illustrate the application of the presentation and disclosure requirements of IFRS Standards. IFRS compliance, presentation and disclosure checklists assist in ensuring compliance with IFRS requirements.
Translated material	This *IFRS in your pocket* guide is available in a number of languages here: www.iasplus.com/pocket. You will also find other Deloitte IFRS resources in various languages here: www.iasplus.com/en/tag-types/non-english Publication series available for individual jurisdictions can be found here: www.iasplus.com/en/tag-types/member-firms

Electronic editions of our IFRS-related publications are available at www.iasplus.com/pubs.

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Deloitte is pleased to make available, in the public interest and without charge, our e-learning training materials for IFRS Standards. Modules are available for virtually all IFRS Standards. They are kept up to date regularly.

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