

PART ONE

International Financial Reporting Standards (IFRS)

TIPS FOR READERS

One of the most noteworthy business reporting developments in the history of accounting is the drafting, distribution and usage of International Financial Reporting Standards. This significant initiative, as the naming suggests, has standardised the principles of financial reporting. As a direct result, there is greater integrity in the use of business reports that, in turn, has a positive impact on subsequent decision making.

In addition, the application of IFRS has facilitated reliable comparative analysis between reporting entities within the same industry or geographical location. Of course, on that basis, dependable comparisons can also be conducted across national borders, through the availability of IFRS translations, to enable usage internationally.

It is noteworthy that these Standards are historically grown, which has led to the inclusion and mix-up of objects/items and valuation.

Summary

The first section presents an introduction to, and objectives of, International Financial Reporting Standards. The second section poses the question: how important

are IFRS to business? In responding, the text addresses IFRS and legal objectives. The convergence of IFRS and US GAAP is also a topic of conversation, as is reconciliation with respect to US GAAP. Thereafter, a wider ambit is brought in by way of the International Organization of Securities Commissions (IOSCO). This section concludes with the role of regulators and the related enforcement of standards.

The third section looks into the governance and accountability of the IFRS Foundation, particularly its history, structure and finance. The associated monitoring board and trustees of the IFRS Foundation are presented, along with IASB members and the related due process, in addition to the IFRS Advisory Council. This sets a solid base upon which the next section rests.

The fourth section expands upon the framework, preface, standards and interpretations of IFRS. The IFRS are summarised, as are the International Accounting Standards (IAS). The treatment of these Standards leads easily into the more recent, and so-called, IFRS for Small and Medium Sized Enterprises and the section concludes with interpretations to those Standards which are a part of the authoritative literature pertaining to IFRS.

The fifth section addressees the IFRS Practice Statement Management Commentary, followed by future plans in the sixth section, and new presentation formats, as well as model financial statements in the seventh section. The eighth section lists the contents of the IFRS *Red Book*, and the ninth section introduces a glossary of IFRS-related terminology. The tenth section introduces the IFRS book index.

Target audience

The overall concept map shown in the introduction indicates the necessary breadth and depth of elements in this book which play a fundamental part in supporting current and expected thoughts of a new reporting paradigm. Accordingly, we can see that the various sections of this book are likely to be of particular significance to some people more than to others.

Readers who are expected to have an affinity with, and interest in, Part I of this book include:

- accounting practitioners
- developers of business reporting
- deliverers of business reporting
- standard setters
- auditors
- finance professionals
- academics
- students.



CHAPTER ONE

Introduction to and objectives of IFRS

INTERNATIONAL FINANCIAL REPORTING IS ON THE MOVE, and common world-wide business and financial reporting formats are developing. The recent so-called global financial crisis emphasises the need for financial reporting standards. In effect, International Financial Reporting Standards can be a precursor and an example for a much needed global framework for financial and legal standards.

The goal of the IFRS Foundation (IFRSF) is to develop a single set of high-quality, understandable, enforceable and globally accepted financial reporting standards based upon clearly articulated accounting principles.

As of 2005, the European Union (EU) requires all publicly traded entities in member states to prepare their consolidated financial statements under IFRS. These accounting standards may differ significantly from the US-based Generally Accepted Accounting Principles (GAAP) previously applicable.

More than 150 countries now require the application of IFRS in one form or another. The International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB) are actively pursuing convergence projects. China, India, Japan and other countries have been agreed upon convergence. In May 2012, the Pan African Federation of Accountants

(PAFA) – representing 34 African nations – made a broad policy resolution to adopt IFRS, IPSAS and ISA.

Once global convergence is completed by the IASB, financial statements will be fully comparable worldwide. Needless to say, accounting and financial reporting changes have an impact on capital markets and on critical financial measures, such as profits, earnings per share, valuation of assets and credit ratings. This overview is designed to provide an understanding of the basic issues when people are reporting using IFRS, such as the following:

Corporate

- How are business combinations accounted for under IFRS 3?
- What further changes are planned regarding measurement, such as the application of fair value?
- How are goodwill and other intangibles accounted for?
- How does adopting IFRS in separate financial statements affect distributable profits?
- What are the new rules when accounting for pensions and stock options under IFRS 2?

Banking and capital markets

- How are financial covenants affected by moving to IFRS?
- What is the impact of IFRS on performance indicators, such as EBITDA (earnings before interest, taxes, depreciation and amortisation) finance costs, net debt and net worth?

Tax

- How is tax affected by adopting IFRS in separate financial statements?
- What is the impact of IFRS on de-recognition of financial assets and off-balance sheet arrangements?

The first section of this chapter provides an overview of the International Accounting Standards Board and its predecessor, the International Accounting Standards Committee (IASC). It explains the history, organisation, structure and funding, and provides a list of key members and thought leaders. In addition, it outlines what the IASB has achieved so far and gives an idea as to where the IASB is heading.

The body of this chapter presents a summary of the individual International Financial Reporting Standards and International Accounting Standards

(IAS) as originally developed by the IASC. Obviously, for a more detailed discussion, the reader should always refer to the original pronouncements (the full set of Standards), which include implementation guidance and the basis for conclusions by the board. A full set of Standards (approximately 3,000 pages) is published annually, in different versions and languages, by the IASB. For electronic updates, see www.ifrs.org.

One of the major accomplishments of the new organisation, the IASB, is the development of standards for small and medium-sized enterprises (IFRS for SMEs). An overview on these standards is provided, too.

Interpretations play an important role in the implementation and use of the standards. They apply to certain sections of the standards and require a highly technical understanding and knowledge of IFRS. In legal cases, where interpretations are involved, it is recommended that the history and exposure drafts for the development of the interpretations are reviewed.

Reconciling differences between existing accounting principles is one of the main topics lawyers must understand. Therefore, reconciling items between US GAAP and IFRS are explained. Of course, regulators play an important role in the enforcement of IFRS. Their international involvement through the IOSCO (International Organisation of Securities Commissions) is important for the future development of the Standards.

Adoption of IFRS has increased dramatically in recent years. It is estimated that more than 150 countries apply the standards in full, or corporate entities in those countries are permitted to use them, or apply them partially. In this regard, the EU can be considered a role model and pioneer in the adoption of IFRS.

At the same time, related and supplemental business and financial reporting standards are developed by different international organisations, such as the IFAC (International Federation of Accountants), IPSAS (International Public Sector Accounting Standards) and GRI (Global Reporting Initiative). A brief overview of these organisations, and their associated activities, appears in later sections.

It is worth noting that technology is the main driver for globalisation. It plays an important part in the implementation of IFRS. Several tools were developed in conjunction with educational materials, checklists and model financial statements. These are often presented at seminars and conferences.

The localisation of the standards, as facilitated by translation, is another key factor for the adoption of standards. A brief description of the IASB translation policy is provided. Finally, the future application of IFRS is heavily influenced by advances in technology. As in other sectors, such as worldwide

logistics, 'barcoding' of financial information is now a major topic for discussion. Extensible Business Reporting Language (XBRL), based on XML, will bind together all the members of the business reporting supply chain and eliminate re-keying of finance and accounting information. The IFRS – XBRL taxonomy, available in multiple formats and languages, is important in the further adoption and development of standards.

Jointly with the US FASB, the IASB has a heavy Work Plan and related guidance, such as new presentation formats and management commentary.

At the end of this book, the reader can find lists of helpful resources, such as checklists, references to publications, websites and abbreviations. In the next chapter we look at the importance of IFRS to business.

It is also noteworthy that, associated with IFRS material throughout this book, in relation to all images, abstracts, screenshots and related text, the following applies: Copyright © 2012 IFRS Foundation. All rights reserved. Reproduced by John Wiley & Sons, Ltd with the permission of the IFRS Foundation. No permission is granted to third parties to reproduce or distribute.

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How important are IFRS to business and global acceptance?

FOR YEARS, LEADERS IN WORLDWIDE CAPITAL MARKETS as well as the US capital markets were anxious to develop a global set of financial reporting standards to improve the comparison of international financial data. In recent years, this effort has accelerated as investments by US investors increased significantly. The US capital markets include thousands of US firms that invest in non-US companies, either through acquisition or direct investment. As such, millions of individuals and trust funds invest in non-US companies, either directly or indirectly, through investments in mutual funds. Generally, hedge funds are made up of international investments. Furthermore, there are approximately 1,000 foreign private issuers that file with the Securities and Exchange Commission (SEC).

In the so-called preface to IFRS, the IASB sets out its mission and objectives, the scope of IFRS due process for developing IFRS and interpretations, and policies on effective dates, format and language for IFRS. In particular, the IASB's objectives are:

- a) to develop, in the public interest, a single set of high-quality, understandable and enforceable global accounting standards that require high-quality, transparent and comparable information in financial statements

and other financial reporting to help participants in the world's capital markets and other users make economic decisions;

- b) to promote the use and rigorous application of those standards;
- c) in fulfilling the objectives associated with (a) and (b), to take account of, as appropriate, the special needs of small and medium-sized entities and emerging economies;
- d) to bring about convergence of national accounting standards and International Accounting Standards and International Financial Reporting Standards to high-quality solutions.

Thus it should be clear that IFRS will become important for business reporting and that convergence will happen in one form or another. No doubt convergence will be achieved using technology instead of integrating conceptual standards. Examples are the US codification process of US GAAP and the use of XBRL industry-specific taxonomies.

From a legal objectives standpoint, it will be important to watch the convergence process through the eyes of the reconciliation process. However, since foreign filers and Canadian companies are now allowed to file their 20F in IFRS, this will be a less important tool than in the past. More interesting will be the coordination and work of regulators, as well as the progress of worldwide adoption of IFRS.

2.1 IFRS AND LEGAL OBJECTIVES

The transition from US GAAP, and other accounting principles, to IFRS is much more than an accounting exercise. Examples in other countries have shown far-reaching implications in various areas, such as regulatory, tax, organisation (compensation, cash management, etc.) and legal consequences.

Many companies have contractual agreements that contain financial covenants and other financial provisions. The calculation of ratios under IFRS might be different and could force the entity to keep dual accounting systems until contracts are renegotiated. Areas that require a critical review would include real-estate contracts (including property leases), business combinations and accounting for financial instruments. From a legal viewpoint, IAS 37 (*Provisions, Contingent Liabilities, and Contingent Assets*) is probably one of the most important standards to comprehend.

Tax issues are another area of concern. IFRS does not allow the last-in/first-out (LIFO) method of accounting for inventories. Unless the conformity

requirement is changed by legislation, entities face a tax cost due to a realised gain on reserves in inventories.

There are a large number of references to US GAAP in contracts, legislation and the Internal Revenue Code. To make the Code compatible with IFRS reporting, either the Internal Revenue Service must revise its interpretations of the Code or other legislation has to be enacted.

The various US laws require much more, or different, disclosures than what is required under IFRS. This might include Form 10-K, its proxy information statements or very specific requirements for certain industries. Last, but not least, the transition from US GAAP to IFRS will impact the internal control system and touch on requirements of the Sarbanes – Oxley Act of 2002.

IFRS reporting requires added disclosure through more forward-looking statements and different accounting for provisions. Needless to say, the extent of potential litigation problems will be the most difficult to judge in advance. The IASB has issued an exposure draft ‘management commentary’ that will not be issued as a standard but includes a large amount of guidance on additional business disclosure.

Literacy of IFRS in the governance function (board of directors, top management) of an entity is probably one of the most overlooked aspects of successful adoption of IFRS. If this knowledge is not available in the upper echelon of business, legal objectives cannot be accomplished.

2.2 CONVERGENCE OF IFRS AND US GAAP

Discussions on applying one set of financial reporting standards have focused on the words adopting, converging, endorsing and implementing. Lately, a new word, ‘condorsement’, was created and is in use. By merging the ideas of convergence and endorsement, IFRS would be incorporated into US GAAP through a lead by the FASB instead of the IASB, that is, condorsement. The SEC has had numerous positions on this issue in the past and even issued a roadmap to convergence. For an update see ‘Commission Statement in Support of Convergence and Global Accounting’, 2010, as per www.sec.gov/rules/other/2010/33-9109.pdf.

The most successful implementations call for a fixed timetable for the various stages of adoption. A good example is Canada’s move to IFRS. It includes all aspects of conversion, such as education and training, changing legislation and other legal and tax considerations, translation (into French) of the standards and building an extended XBRL taxonomy.

The US SEC and jointly the IASB and the FASB have issued numerous releases and agreements relating to convergence. Timetables on the understandings were never adhered to and are constantly pushed forward. In 2010 the FASB and IASB again reaffirmed their commitment to improving IFRS and US GAAP and achieving their convergence. They committed to providing transparency and accountability regarding projects by reporting quarterly on progress and making those reports available on their respective websites.

However, as mentioned in other parts in this section, the authors believe that convergence between IFRS and US GAAP will be achieved through technology and not by wording individual standards, unless the US is adopting the full set of IFRS similar to Canada.

In September 2011, the Private Sector Taskforce of Regulated Professions and Industries (PSTF) issued its final report to the G-20 called 'Regulatory Convergence in Financial Professions and Industries'. Establishment of the PSTF was coordinated by the IFAC. It comprises representatives from private sector organisations of professions and industries that are subject to regulation, and operate within the financial sector.

In addition to IFAC, the membership of the taskforce is comprised of:

- CFA Institute (CFA I)
- INSOL International
- Institute of International Finance (IIF)
- International Accounting Standards Board (IASB)
- International Actuarial Association (IAA)
- International Corporate Governance Network (ICGN)
- International Insurance Society (IIS)
- International Valuation Standards Council (IVSC).

The report includes 15 recommendations on the financial service industry and identifies gaps in regulatory convergence by industry, as summarised by the following topics:

- Accounting Profession – Financial Reporting
- Accounting Profession – Auditing and Public Sector Accounting
- Actuarial Profession and Insurance Industry
- Corporate Governance
- Financial Services Industry
- Investment Management and Analysis Profession

- Restructuring and Insolvency Profession
- Valuation Profession.

Some major economies have yet to commit fully to IFRS for domestic companies but have processes under way (e.g. China, India, Japan, the US). In India some 'carve-outs' from standards are being proposed, which means the IFRS will not be fully adopted. Japan has deferred its decision on convergence with IFRS, while the process of convergence between IFRS and US GAAP has been ongoing for several years. The IASB and the FASB have made significant progress towards convergence and have completed most of the projects on their Memorandum of Understanding (MoU). However, the boards had not completed the remaining three projects, including financial instruments, as initially anticipated by the end of 2011. In addition, the US SEC has yet to confirm its decision on the adoption of IFRS, which in turn may be impacting or delaying convergence plans in some other countries.

Some notable differences remain between the reporting requirements of IFRS and US GAAP. One example that creates considerable concern for financial institutions relates to netting or offsetting arrangements. In 2011 the IASB and the FASB attempted to align the financial reporting requirements relating to the offsetting of financial assets and liabilities. The boards were not successful, partly because the existing differences have been institutionalised in their respective jurisdictions. It would be beneficial to have the offsetting requirements aligned for both financial reporting and prudential reporting purposes. An example of differences resulting from an existing relationship between financial reporting and regulations relates to taxation. In the US a particular basis for measuring inventory (called LIFO) is permitted for taxation purposes if an entity also uses that basis for financial reporting purposes. LIFO generally reduces the tax base, which is why entities elect to use this approach. LIFO is permitted in US GAAP but not in IFRS. There is limited support for LIFO as a financial reporting basis. However, eliminating LIFO from US GAAP would change the tax basis for those companies and create potentially significant tax liabilities for them. This is widely perceived to be an impediment to removing LIFO from US GAAP. Yet it is an impediment that could be removed easily, by decoupling or changing the link between the financial reporting and taxation requirements.

IFRS were originally developed for industrial companies, not for the financial service sector. There is still no complete standard for insurance companies. Object tracking, due to securitisation of financial instruments and other supply chain factors, is complicated and the use of different currencies for valuation makes accounting very difficult.

2.3 RECONCILIATION TO US GAAP

Approximately 1,000–1,150 (down from prior numbers, as there is a de-listing trend) of the 12,000 companies registered with the SEC are non-US companies. A foreign registrant may submit financial statements that conform to US GAAP or financial statements that conform to International Financial Reporting Standards as adopted by the IASB (that is, not jurisdictional adaptations of IFRS) without needing to provide reconciliation to US GAAP. Alternatively, a foreign registrant may submit financial statements prepared using its national GAAP or using a jurisdictional adaptation of IFRS (such as IFRS as adopted by the EU). Then, however, a reconciliation of earnings and net assets to US GAAP figures is required. This is normally done on Form 20F.

Current major differences between IFRS and US GAAP are presented in Table 2.1 for ease of comparison.

Taxes (deferred taxes, IAS 12) will nearly always be a reconciliation item since book-to-tax differences have a flow-through effect on taxes.

A difficult and very technical area of reconciliation exists for financial instruments and derivatives (IAS 39, IFRS 9 and others). Detailed literature on identifying IFRS/US GAAP differences for financial institutions is available from the large accounting firms.

Over the last several years the FASB has worked on a project codifying the US financial reporting literature. The codification reorganises the thousands of US GAAP pronouncements into roughly 90 accounting topics and displays all topics using a consistent structure. It includes relevant SEC guidance that follows the same topical structure in separate sections in the codification. This again is aligned to the US XBRL taxonomy (see the relevant section in Part III).

Unfortunately, IFRS to this date have not been codified. Once this is completed, US GAAP and IFRS financial statements will be much easier to reconcile and compare.

Note that, as we go to press, there is considerable discussion arising from the release of a less than positive Staff Report issued by the SEC, with this being *Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers – Final Staff Report*, Office of the Chief Accountant, United States Securities and Exchange Commission, 13 July 2012. For additional information, see www.sec.gov/spotlight/globalaccountingstandards.shtml, as well as www.sec.gov/spotlight/globalaccountingstandards/ifrs-work-plan-final-report.pdf for the actual report.

TABLE 2.1 Major differences between IFRS and US GAAP.

Topic	US GAAP	IFRS
Revenue recognition	To be recognised, revenue must be either realised or realisable and earned; guidance is industry specific.	Assesses the probability that economic benefits associated with a transaction will accrue to the entity and that revenue and costs can be appropriately measured; guidance not industry specific.
Intangible assets	Must be written down if value has fallen, but cannot be written up.	Permits assets to be written up when an active market exists.
Asset impairment	Mandates two-step process that analyses undiscounted cash flows and compares that to fair value.	Single-step process in which asset's value is adjusted to its recoverable amount.
Inventory	Allows FIFO, LIFO, average and standard cost methods.	Prohibits LIFO, allows other methods.
Research and development	Must be expensed as incurred.	Allows development expenses to be capitalised.
Consolidation of entities	Entities must be consolidated if one entity has a controlling financial interest over another.	Consolidation based on whether one entity has the power to control another via financial and operating policies.
Property, plant and equipment	Valued at historical cost.	Can be re-valued to reflect fair values.

2.4 IOSCO, REGULATORS AND ENFORCEMENT

Due to pressure as a result of the financial crises, independence questions and to secure future funding, the IFRSF created a monitoring board consisting of public regulators. The International Organisation of Securities Commissions, based in Madrid, is the worldwide association of national securities regulatory commissions, such as the Securities and Exchange Commission in the United States, the Financial Services Authority in the United Kingdom, and 100 or so

other similar bodies. IOSCO is recognised as the leading international policy forum for securities regulators.

IOSCO looks to the IASB to develop International Financial Reporting Standards that IOSCO members can rely on for use in their jurisdictions. IOSCO has consistently supported the further development of IFRS through recommendations, endorsements and agreements. Accounting issues are dealt with through IOSCO's Technical Committee, a specialised working group established by IOSCO's Executive Committee. It is made up of 15 agencies that regulate some of the world's larger, more developed and internationalised markets. Its objective is to review major regulatory issues related to international securities and futures transactions and to coordinate practical responses to these concerns.

On 22 February 2010, the IOSCO Technical Committee published a report entitled 'Principles for Periodic Disclosure by Listed Entities'. The report includes a set of recommendations for disclosures that could be provided in the periodic reports, particularly annual reports, of entities whose securities are listed or admitted to trading on a regulated market in which retail investors participate. The disclosure principles also cover other issues related to periodic disclosure, such as the timeliness of disclosures, disclosure criteria and storage of information. The principles are intended to provide a useful framework for securities regulators that are reviewing or revising their regulatory disclosure regime for periodic reports.

The report identifies the following principles as essential for any periodic disclosure regime:

- Periodic reports should contain relevant information (the IOSCO report elaborates on this principle in considerable detail).
- For those periodic reports in which financial statements are included, the persons responsible for the financial statements provided should be clearly identified, and should state that the financial information provided in the report is fairly presented.
- The issuer's internal control over financial reporting should be assessed or reviewed.
- Information should be available to the public on a timely basis.
- Periodic reports should be filed with the relevant regulator.
- The information should be stored to facilitate public access to the information.
- There should be disclosure criteria (including fair presentation, not misleading, no material omissions, clear and concise language).
- There should be equal access to disclosure by all investors at the same time.

- There should be equivalence of disclosure in all markets in which the entity is listed.

IOSCO's wide membership regulates more than 90 per cent of the world's securities markets and IOSCO is the world's most important international cooperative forum for securities regulatory agencies.

IOSCO aims, through its permanent structures, to:

- cooperate to promote high standards of regulation in order to maintain just, efficient and sound markets;
- exchange information on their respective experiences in order to promote the development of domestic markets;
- unite efforts to establish standards and an effective surveillance of international securities transactions;
- provide mutual assistance to promote the integrity of the markets by a rigorous application of the standards and by effective enforcement against offences.

Worldwide enforcement is still an emerging area. Progress was made by signing a multilateral MoU concerning Consultation, Cooperation and the Exchange of Information in January 2010. For further information, see www.fsa.gov.uk/pubs/mou/fsa_sec.pdf.

At this point, it is worthwhile understanding something of the governance and accountability of the IFRS foundation, outlined in the next chapter.

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Governance and accountability of the IFRS Foundation

3.1 HISTORY, STRUCTURE AND FINANCE

The IFRS and IAS are developed and published by the International Accounting Standards Board, an international non-governmental organisation operationally based in London but legally registered as a not-for-profit entity in Delaware, USA.

The IASB was preceded by the International Accounting Standards Committee, also London based. On 29 June 1973, the IASC was founded by nine professional accountancy bodies from the United States, the United Kingdom/Ireland, Canada, Australia, Japan, Germany, France, Mexico and the Netherlands. Actually, the roots go back to 1966. At that time, there was a proposal by professional accountancy bodies in Canada, the United Kingdom and the United States to create an Accountants International Study Group to develop comparative studies of accounting and auditing practices in the three nations. So, clearly, the effort began as an IFRS Anglo-Saxon initiative. Of course, much has happened since then.

The main objectives of the former IASC were to formulate and publish, in the public interest, accounting standards to be observed in the presentation of financial statements, and to promote the worldwide acceptance and observance

of such standards. Furthermore, the general purpose of that organisation was to work for the improvement and harmonisation of regulations, accounting standards and procedures relating to the presentation of financial statements.

The IASC enters the electronic age

The IASC entered the electronic age when a website was started in 1997. Even before discussions concerning the opening of board meetings to the public, the IASC had launched its own website and also initiated the distribution of board agenda papers by electronic mail. Commercial Director Kurt Ramin encouraged Paul Pacter to develop the website. In an agenda paper to the Executive Committee, April 1997, Ramin wrote: 'This (Web-Page) will open opportunities for us to receive orders for publications via e-mail, distribute news-bytes and board papers, as well as to provide a forum for technical committee meetings'. Ramin attached a note from Pacter:

IASC will launch its Internet web site any day now. It will contain about 130 pages of information written by Paul Pacter and converted to Internet format by a consultant. Paul will maintain it. The permanent address will be: <http://www.iasc.org.uk>. . .

IASC now has its own Internet domain name ([iasc.org.uk](http://www.iasc.org.uk)) and shortly will change its main email address to iasc@iasc.org.uk. Emails sent to the old address will automatically forward to the new one. Individual email addresses for IASC staff (for example, kramin@iasc.org.uk) are installed, but their use must await hardware and wiring, probably when we move to our new facility.

Source: The International Accounting Standards Committee: A Political History, by Robert J. Kirsch, published in February 2007 by WoltersKluwer, pp. 262–263. Reproduced by permission of Robert J. Kirsch.

Note: Kurt Ramin is co-author of this book. At the time of writing Paul Pacter is on the International Accounting Standards Board.

Interestingly, the original IASC website subsequently gave birth to the IAS Plus website. Note that IAS Plus is purported to be the leading website for global accounting news and provides a wealth of information. (www.iasplus.com – see Figure 3.1). Particularly, see the related site map, which is extensive and is summarised next:

- IFRS News
 - Chronology of Past News

- Standards
 - IFRSs
 - IASs
- Interpretations
 - IFRIC Final Interpretations
 - SIC Final Interpretations
 - IFRIC Agenda Projects
 - SIC Drafts Not Finalised
- IASB Agenda
 - Agenda Consultation
 - Active Agenda Projects
 - Research Projects
 - Technical Corrections
 - Completed Projects (IASB)
- IASB Structure
 - Overview
 - Key Groups
- Newsletters
- Financial Statements
- Links

The site provides a useful synopsis of IASB history and structure (see www.iasplus.com/en/resources/resource382) and is a rich source of useful reference material.



FIGURE 3.1 The IAS Plus website.

The IASB's objective

The objective of the IASB is to develop a single set of high-quality, understandable, enforceable and globally accepted financial reporting standards based upon clearly articulated principles. The former IASC worked from 1973 to 2000 to accomplish those objectives. It promulgated a substantial body of standards (IAS 1 to IAS 41), interpretations, a conceptual framework and other forms of guidance.

In comparison, the IASB is organised under an independent foundation and is now named the International Financial Reporting Standards Foundation. Incorporated in the state of Delaware, USA, on 6 February 2001, the IFRS Foundation is a not-for-profit charitable organisation, with its primary operations located in London. It pursues its objective by way of:

- an independent standard-setting board, overseen by a geographically and professionally diverse body of trustees which is publicly accountable to a monitoring board of public capital market authorities;
- support by an external IFRS Advisory Council and an IFRS Interpretations Committee to offer guidance where divergence in practice occurs;
- a thorough, open, participatory and transparent due process;
- engagement with investors, regulators, business leaders and the global accountancy profession at every stage of the process;
- collaborative efforts with the worldwide standard-setting community.

Figure 3.2 shows a schematic overview of the structure of the organisation.

Governance and accountability arrangements of the organisation

The IFRSF and its independent standard-setting body, the IASB, provide public accountability through the transparency of their work, consultation with the full range of interested parties in the standard-setting process and their formal accountability links to the public. The leaders of the major economies, through the G20, have confirmed the importance of an independent standard setter accountable to the public interest.

Public accountability, ensured by the organisation's constitution and governance arrangements, is vital to the organisation's success. It is the trustees' duty to ensure that appropriate governance arrangements are in place and observed by all parts of the organisation. To read more about the trustees' responsibilities, see www.ifrs.org/The+organisation/trustees/Trustee+responsibilities/Trustee+responsibilities.htm.

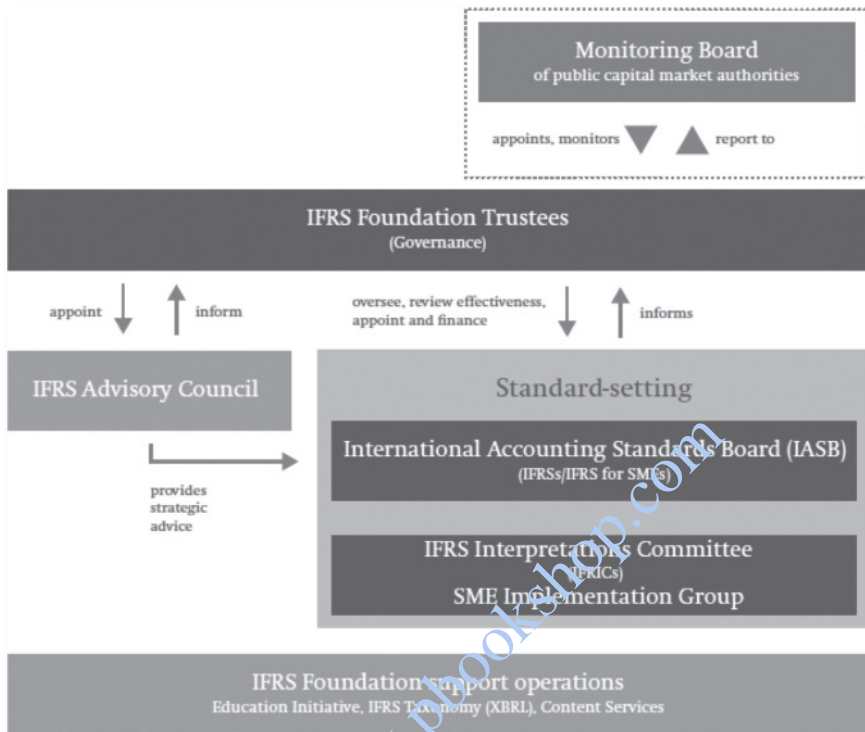


FIGURE 3.2 A schematic overview of the structure of the IASB.

Source: www.ifrs.org/The+organisation/How+we+are+structured.htm

The trustees' effectiveness in exercising their functions is assessed annually by the trustees' Due Process Oversight Committee (DPOC). For more details see www.ifrs.org/DPOC/DPOC.htm.

The cornerstones of the organisation's public accountability are as follows.

The monitoring board

The trustees have established a formal public accountability link to a monitoring board of public capital market authorities.

The constitution review

The constitution of the IFRSF requires the trustees to undertake a formal, public, five-yearly review of the constitution.

Due process

Formal due process for the IASB, the IFRS Interpretations Committee and XBRL ensures extensive outreach, which includes mandatory public consultation. Comment letters received in response to formal proposals are made public on the website.

Public meetings

All meetings (other than those on administrative matters) of the bodies of the IFRS Foundation, including the IASB, the Interpretations Committee and its formal advisory bodies, are held in public and are webcast. Meeting notes are available to the public as observer notes.

Finance

The IFRSF issues annual financials, including a management report, expected financing, report of the independent auditors (BDO LLP, London) and detailed notes to the financial statements. The latest related opinion reads: 'In our opinion the financial statements:

- Give a true and fair view of the state of the Foundation's affairs as at 31 December 2011 and of its comprehensive income for the year then ended; and
- Have been properly prepared with International Financial Reporting Standards.'

Both the IFRS Foundation and the US Financial Accounting Foundation (FAF) are well financed. As is typical with service organisations, most expenses are people related. Annual reports for both organisations are published after year end (with an associated lag of 4–5 months).

The IFRSF receives widespread contributions and funds from major countries around the globe and also from the sale of publications. However, currently, more than half of the funding is provided by large accounting firms and financial institutions. The FAF, mainly, is now financed through the US SEC and by the sale of publications.

It is interesting to note that salary and benefits scales for both organisations are similar to what large accounting firms pay in the UK and the US. For instance, board members are highly paid, as illustrated in an excerpt from the 2010 annual report:

In 2010, the total cost for 14.8 full-time equivalents (2009: 14.0 full-time equivalents) IASB members amounted to £6,759,000 (2009: £6,269,000). In July 2010, effective for October 2010, the trustees approved the following remuneration budgets:

£553,350 (includes per diem allowance) per year for the IASB Chair (2009: £493,990, excludes per diem allowance) and £457,950 (includes per diem allowance) per year for full-time members (2009: £401,370, excludes per diem allowance).

The reason for the relatively high remuneration payments are competition for people with the large accounting firms and similar salaries paid by the FASB.

Source: Financial Report, www.ifrs.org

Note: The IFRSF 2011 Annual Report became available shortly before we went to print.

The following summary shows how the IFRS is funded in terms of principles and practices.

Principles

Broad-based:

Funded by a wide range of market participants from across the world's capital markets.

Compelling:

Funding burden to be appropriately shared across beneficiaries within jurisdiction, with official support from relevant regulatory authorities.

Open-ended:

Not contingent on any particular action that would impair the independence of the organisation.

Country-specific:

Shared by the major economies of the world on a proportionate basis, using Gross Domestic Product as the key determining factor of measurement.

Practice

- Mandatory levies introduced for listed and non-listed companies in a growing number of countries.
- Organisation now funded by thousands of bodies either directly or indirectly.

Source: Adapted from www.ifrs.org, 'Who we are and what we do'

The key financial figures for the IFRSF as compared with the Financial Accounting Foundation (FAF) in US\$ are shown in Table 3.1.

TABLE 3.1 Financial figures for the IFRS Foundation and the FAF.

	IFRS Foundation 2010 (\$ million)	FAF 2010 (\$ million)
Revenue	36.4	49.1
Net assets	12.3	68.3
Cash, bonds, investments	11.7	75.6

Source: www.accountingfoundation.org

Note: For currency conversion £1 = \$1.60

Since the establishment of the monitoring board, it is noteworthy that there is now also a trend for the IFRSF to obtain more funding through public sources. Other financial considerations are fees and expenses, as detailed below.

Fees

- For an IASB member, the fee is £5,000 per day or part day.
- For technical staff, the fee is £1,500 per day or part day.
- These amounts are indivisible and non-negotiable, and are payable if one or more speeches or appearances are made in a day at an event.
- For 'exclusive arrangements' in corporate events organised jointly with major firms or multinational corporations, the IFRS Foundation may seek a discretionary fee, typically £20,000, in addition to the amounts stated earlier.

Expenses

- Travel, accommodation and related expenses incurred by an IASB member or a member of the technical staff in relation to a speaking engagement are the responsibility of the conference organiser that invited the speaker.

Source: Financial Report, www.ifrs.org

Funding history

How the IFRS Foundation gained funding is a story in itself and one that is worth recounting, if only to show what was required to secure the continuance of this key component of international accounting, as well as of the resultant business reporting.

As commercial director of the IASB, Kurt Ramin was part of the strategy party in charge of preparing the first budget for the IFRSF and raising funding, which he had started in 2009. Here is the story:

I went to the FASB in Norwalk and copied all their salaries (from board members to key people). Since the FASB just finished a funding consulting exercise, I asked them whether I could contact the funding companies they had talked to. Only one was recommended by the FASB president at that time. The company was CCS in New York. They really did not want to do it for us. But I chased them all over the place and, finally, caught up in Dublin (with the help of Kathryn Cairns from the UK standards board, ASB). They agreed to it.

I also threatened the City of London that we would move the IASB to Amsterdam or Bonn (I had offers from them for 'rent-free' accommodation as long as we were in their city). The next day, I had a £4 million commitment from the City of London if we would stay there.

It is noteworthy that Kurt Ramin worked closely with Paul Volcker, former chairman of the US Federal Reserve Bank. The following extract provides further insight as to the people and processes involved with establishing the IFRS Foundation.

At the 30 October 2000 trustees meeting, a discussion of the new IASC's legal incorporation and tax base took place. Chairman Volker [*sic*] suggested establishing a 501 (c) 3 charitable corporation (potentially in Delaware) since a large portion of IASC's funds were expected to come from US contributors. Such a corporation would enable US supporters to deduct their contributions for tax purposes, and it would enable the IASC to reduce its tax burden from investments and operational revenues. (The reader will recall the failed attempts by the old IASC to be awarded charitable status in the UK in years past.) Volker [*sic*] also said that the Corporation of London had sent him a proposal for development of a competitive package to keep IASC headquartered in the City.

The 'trustees nominating committee' 52 held interviews for new board members in three locations, London, New York and Tokyo, in October and November 2000. Approximately 200 applications had been received; fifty applicants were interviewed. Sir David Tweedie was a participant observer at those interviews. The trustees announced the names of the new Board on 25 January 2001.

...

On 21 July, Volker [*sic*] faxed his response to Minter:

There is no doubt that the decision to appoint Sir David Tweedie as Chairman of the new IASC Board was taken promptly. . . .[T]wo circumstances greatly impressed the trustees, and me personally, in reaching that decision. The first was . . . the enormous advantage to making an early appointment in facilitating the organisational work ahead if we were even to come close to meeting the end of year timetable . . .

Secondly, the trustees became convinced that by experience, reputation and competence,

Sir David was exceptionally well suited to the position. . . .

. . . trustees are totally resolved to make an open and intensive search for other Board members...Part of the search will certainly involve contact with broadly representative and interested organisations, including your own. . . .

. . .

. . . the fourteen Board members were either representatives or observer members of the old Board. Thus, there was significant continuity of members from the old Board to the new. The 'trustees finance committee' agreed upon a detailed strategy by October 2000. In a few months, they then generated commitments of over \$75 million over five years; Volker [*sic*] had done a lot of the fundraising himself. Fundraising activities were going sufficiently well that, on the 11 December 2000, the trustees unanimously authorized Volker [*sic*] to enforce Part B of the *Constitution* when the Finance Committee was confident that the IASC could raise the required funds. In the IASC's 2001 Annual Report, Volker [*sic*] was able to report:

. . . [T]he trustees needed to ensure adequate financial commitments to cover the annual operating budget of about £11.5 million (US \$16.5 million). The budget was largely determined by the need to pay salaries that would attract qualified Board and staff members and by the rather heavy travel costs of an organisation that must regularly consult constituents around the globe. . . . In order to obtain rapid assurance that the new organisation could proceed expeditiously and confidence about its financial stability, the IASC Foundation established

an 'underwriter' class of supporter of major international financial and business firms. Underwriter companies provided five-year pledges ranging from \$100,000 to \$200,000 per year. . . .

. . . I am delighted to report that the funding program to date has been a solid success. In addition to the underwriting group, the 'Big Five' accounting firms have committed nearly a third of the estimated

budget. Over 30 central and development banks around the world have provided tangible, as well as moral, support. Official international financial institutions have joined the financing effort. A large number of the world's leading multinationals are on board. Finally, demonstrating the depth of support in many regions, leading business groups in Europe, Japan, and the United States have formally endorsed the effort and provided financial assistance. In total, 188 corporations, associations, and other institutions provided financial support, totaling £12.8 million (US \$18.3 million) in 2001.

Source: The International Accounting Standards Committee: A Political History, by Robert J. Kirsch, published in February 2007 by WoltersKluwer, pp 359–360. Reproduced by permission of Robert J. Kirsch.

Note: Paul Volcker is incorrectly spelled in the source as Paul Volker. Also, note that FASB President should read FAF President, referring to the Financial Accounting Foundation.

3.2 THE MONITORING BOARD AND IFRS FOUNDATION TRUSTEES

Monitoring board

The monitoring board was formed in 2009 to enhance the public accountability of the IFRS Foundation. The board can refer accounting issues to, and will confer regarding these issues with, the trustees and the IASB chair. The monitoring board can request a meeting with the chairpersons of the trustees and the IASB.

The monitoring board's main responsibilities are to ensure that the trustees continue to discharge their duties as defined by the IFRSF Constitution, as well as approving the appointment or reappointment of trustees. It is envisaged that the monitoring board will meet the trustees at least once a year, or more often if appropriate.

The members of the monitoring board are the Emerging Markets and Technical Committees of IOSCO, the European Commission, the Financial Services Agency of Japan (JFSA) and SEC. The Basel Committee on Banking Supervision participates in the monitoring board as an observer.

The board's charter and other related information (working with the G20) is housed at the IOSCO website, indicating the importance of the relationship with public authorities (see www.iosco.org/monitoring_board/pdf/Monitoring_Board_Charter.pdf).

IFRS Foundation trustees

Trustees of the IFRSF promote the work of the IASB and rigorous application of IFRS, but are not involved in any technical matters relating to the standards. This responsibility rests solely with the IASB. Trustees are appointed for a renewable term of three years. Each trustee is expected to have an understanding of, and be sensitive to, international issues relevant to the success of an international organisation responsible for the development of high-quality global accounting standards for use in the world's capital markets and by other users.

There are currently 22 trustees. To ensure global representation, it is noteworthy that six of the trustees must be selected from the Asia/Oceania region, with six from Europe, a further six from North America, and four from all remaining regions. The IFRSF constitution requires an appropriate balance of professional backgrounds, including auditors, preparers, users, academics and other officials serving the public interest. Two will normally be senior partners of prominent international accounting firms. This geographical/functional balance is often difficult to achieve and in the past has led to significant delays in appointments. Trustees are appointed on a rotational basis and of course changes occur through retirement and replacement. Accordingly, for an up-to-date view of the current contingent, refer to www.ifrs.org/The+organisation/trustees/trustees.htm and www.ifrs.org/The+organisation/trustees/Trustee+distribution.htm.

The geographical distribution of current trustees is as follows:

North America

Scott Evans

Executive Vice President, Asset Management and Chief Executive Officer of the TIAA – CREF Investment Management LLC (United States)

Robert Glauber, Vice-Chair

Retired Chairman and CEO, NASD (the private sector regulator of the US securities market); former Under Secretary of the Treasury for Finance (United States)

Harvey Goldschmid

Dwight Professor of Law, Columbia University; former Commissioner of the US Securities and Exchange Commission (United States)

Paul Tellier

Former President and CEO, Bombardier and CN; former Clerk of the Privy Council and Secretary of the Cabinet (Canada)

David Sidwell

Director, UBS, and Director, Fannie Mae (United States)

*Europe***Clemens Börsig**

Chairman of the Supervisory Board, Deutsche Bank AG (Germany)

Yves-Thibault de Silguy

Vice Chairman and Lead Director, Vinci; former member of the European Commission (France)

Sir Bryan Nicholson

Former Chairman, Financial Reporting Council (United Kingdom)

Marco Onado

Senior Professor of Financial Institutions at the Bocconi University, Milan, Italy, Chairman of Pioneer Global Asset Management (Italy)

Michel Prada (Chairman)

Former Chairman of the Autorité des Marchés Financiers (France)

Dick Sluimers

Chief Executive Officer of APG Group (Netherlands)

Antonio Zoido

Chairman of the Board and Chief Executive Officer of Bolsas y Mercados Españoles (BME) (Spain)

*Asia/Oceania***Duck-Koo Chung**

Former Minister of Commerce, Industry and Energy for the Republic of Korea (Republic of Korea)

Tsuguoki (Aki) Fujinuma, Vice-Chair

Immediate Past Chairman and President, Japanese Institute of Certified Public Accountants (Japan)

Jeffrey Lucy

Chairman, Financial Reporting Council (Australia); former Chairman, Australian Securities and Investments Commission; former Chairman, International Forum of Independent Audit Regulators (IFIAR)

Yong Li

President of the Chinese Institute of Certified Public Accountants, Vice Minister to the Ministry of Finance (People's Republic of China)

Noriaki Shimazaki

Special Adviser, former CFO and Member of the Board, Sumitomo Corporation (Japan)

South America

Pedro Malan

Chairman, Unibanco; former Finance Minister of Brazil; former President, Central Bank of Brazil (Brazil)

Africa

Jeff van Rooyen

Chief Executive, Uranus Investment Holdings; former Vice Chairman, Executive Committee, International Organisation of Securities Commissions (IOSCO); former CEO, South African Financial Services Board (South Africa)

3.3 IASB MEMBERS, DUE PROCESS AND IFRS INTERPRETATIONS COMMITTEE

IASB

The International Accounting Standards Board is an independent group of 15 experts with an appropriate mix of recent and practical experience in setting accounting standards, in preparing, auditing, or using financial reports, and in accounting education. Broad geographical diversity is also required.

Members are appointed by the trustees through an open and rigorous process that includes advertising vacancies and consulting relevant organisations. In January 2009, the trustees voted to expand the IASB to 16 members by 2012. Information about IASB members is available at www.ifrs.org/The+organisation/Members+of+the+IASB/Members+of+the+IASB.htm (see Figure 3.3).

The main qualifications for membership of the IASB are professional competence and practical experience. In order to ensure a broad international basis, there shall normally be:

- four members from the Asia/Oceania region;
- four members from Europe;
- four members from North America;
- one member from Africa;
- one member from South America;
- two members appointed from any area, subject to maintaining overall geographical balance.

The screenshot shows the IFRS website interface. At the top, there is a navigation menu with links for Home, About us, IFRS, Standards, Get involved, Stay informed, and Products &. Below the menu is a banner for 'Members of the IASB'. The main content area is titled 'Members of the IASB' and contains the following text:

The International Accounting Standards Board (IASB) is an independent group of 15 experts with an appropriate mix of recent practical experience in setting accounting standards, in preparing, auditing, or using financial reports, and in accounting education. Broad geographical diversity is also required.

Members are appointed by the Trustees through an open and rigorous process that includes advertising vacancies and consulting relevant organisations.

In January 2009, the Trustees voted to expand the IASB to 16 members by 2012:

- Hans Hoogervorst (chairman)
- Ian Mackintosh (vice-chairman)
- Stephen Cooper
- Philippe Danjou
- Jan Engström
- Patrick Finnegan
- Amaro Luiz de Oliveira Gomes
- Prabhakar Kalavacherla ('PK')
- Dr Elke König
- Patricia McConnell

On the right side of the page, there is a 'Related information' section with links to 'Read past speeches by IASB members', 'More about IASB meetings', and 'Read about the development of IFRSs'.

FIGURE 3.3 IASB members.

Of the 16 board members (of whom one is appointed as chair and up to two as vice-chairs), up to three may be 'part-time' members. They are elected for an initial term of five years, renewable for a further three years. The chair and vice-chairs may serve second terms of five years, subject to an overall maximum term of 10 years.

At the time of writing, IASB members are as follows:

Hans Hoogervorst (Chairman)

Former Chairman, Netherlands Authority for the Financial Markets (AFM), The Netherlands

Ian Mackintosh (Vice-Chairman)

Former Chairman United Kingdom Accounting Standards Board, New Zealand

Stephen Cooper

Former Managing Director and Head of Valuation and Accounting Research, UBS, UK

Philippe Danjou

Former Director of the accounting division, Autorité des Marchés Financiers (AMF), the French securities regulator, France

Jan Engström

Former CFO, Volvo Group and Chief Executive Officer, Volvo Bus Corporation, Sweden

Patrick Finnegan

Former Director, Financial Reporting Policy Group, CFA Institute for Financial Market Integrity, United States

Amaro Luiz de Oliveira Gomes

Former Head of Financial System Regulation Department, Central Bank of Brazil, Brazil

Prabhakar Kalavacherla ('PK')

Former Audit Partner, KPMG, India

Patricia McConnell

Former Senior Managing Director, Equity Research, Accounting and Tax Policy Analyst, Bear Stearns & Co, United States

Takatsugu Ochi

Former Assistant General Manager, Sumitomo Corporation, former adviser to Nippon Keidanren and Accounting Standards Board of Japan, Japan

Paul Pacter

Former IASB Director of Standards for SMEs and Director, Deloitte Touche Tohmatsu Global IFRS office, United States

Darrel Scott

Former CFO, FirstRand Banking Group, South Africa

John Smith

Former Partner, Deloitte & Touche, United States

Wei-Guo Zhang

Former Chief Accountant and Director General Department of International Affairs at the China Securities Regulatory Commission, People's Republic of China

Due process of standard setting

The IASB is the independent standard-setting body of the IFRSF. Its members are responsible for the development and publication of IFRS, including the IFRS for SMEs, and for approving interpretations of IFRS as developed by the IFRS Interpretations Committee (formerly the IFRIC). All meetings of the IASB are held in public and are also webcast. In fulfilling its standard-setting duties, the IASB follows a thorough, open and transparent due process, of which the publication of consultative documents, such as discussion papers and exposure drafts, for public comment is an important component. The IASB engages

closely with stakeholders around the world, including investors, analysts, regulators, business leaders, accounting standard setters and the accountancy profession.

The mandate of the Interpretations Committee is to review, on a timely basis, widespread accounting issues that have arisen within the context of current IFRS and to provide authoritative guidance (IFRIC Updates) on those issues. Interpretation Committee meetings are open to the public and are webcast. In developing interpretations, the Interpretations Committee works closely with similar national committees and follows a transparent, thorough and open due process.

Basically, due process involves:

- a discussion paper that contains preliminary views of the IASB on a particular topic, such as a proposed standard, and any related issues. This is published and distributed to elicit comment for subsequent consideration;
- an exposure draft that is approved by nine or more of the IASB members and contains related conclusions. It also contains so-called alternative views – dissenting opinions – all of which are published for comment;
- the receipt, discussion and consideration of comments received in relation to discussion papers and exposure drafts;
- consideration and implementation of public hearings and field tests;
- approval and publication of a standard if it receives nine or more votes from IASB members. The standard includes associated explanations, appropriate responses to comments received on the related exposure draft, as well as dissenting opinions.

This process of standard setting is summarised in Figure 3.4.

Note also that the IASB has due process handbooks for IASB Interpretations, IFRS Interpretations and XBRL Interpretations.

IFRS Interpretations Committee

The IFRS Interpretations Committee comprises 14 voting members, drawn from a variety of countries and professional backgrounds. They are appointed by the trustees of the IFRSF and are selected for their ability to maintain an awareness of current issues as they arise, as well as the technical ability to resolve them. Information about this committee, and its members, can be found at www.ifrs.org/The+organisation/Members+of+the+IFRIC/About+the+IFRIC.htm.

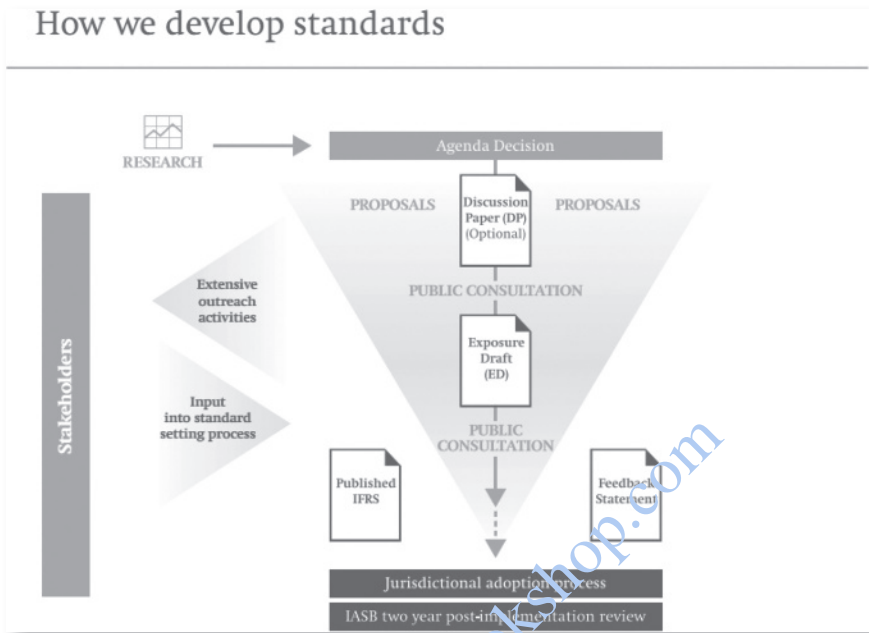


FIGURE 3.4 How the IASB develops standards.

Source: www.ifrs.org

The members of IFRS Interpretations Committee and their affiliations are as follows:

Wayne Upton

Chairman, IFRS Interpretations Committee

Joanna Perry

Company director and Current Chair Financial Reporting Standards Board
New Zealand

Luca Cencioni

Senior Accounting Manager, Eni Adfin S.p.A., Italy

Guido Fladt

Partner, PricewaterhouseCoopers, Germany

Jean Paré

Vice President, Financial Reporting, Bombardier Inc, Canada

Bernd Hacker

Professor for accounting, University of Applied Sciences Rosenheim, Germany

Sara York Kenny

Principal Accounting Advisor (Retired), International Finance Corporation, United States

Feilong Li

Executive director, Executive Vice President & CFO, China Oil Services Limited, China

Ruth Picker

Global Leader IFRS Services, Global Professional Practice, Ernst & Young Global Limited, United Kingdom

Charlotte Pissaridou

Managing Director, Head of Accounting Policy for Europe, Middle East and Africa, Goldman Sachs International, United Kingdom

Laurence Rivat

Partner, Deloitte & Associés, France

Margaret Smyth

Vice President Finance & Chief Financial Officer, Hamilton Sundstrand, a United Technologies Company, United States

Scott Taub

Managing Director of Financial Reporting Advisors, LLC, United States

Andrew Vials

Partner, KPMG LLP, United Kingdom

Kazuo Yuasa

General Manager, IFRS Office, Corporate Finance Unit, Fujitsu Limited, Japan

Note also that the following organisations have Observer status:

- International Organisation of Securities Commissions (IOSCO)
- European Commission

In March 2006, the trustees of the IFRS Foundation published a new *Due Process Handbook* for the IASB. The *Handbook* describes the IASB's consultative procedures. Formal due process for projects normally, but not necessarily, involves the following steps (the steps that are required by the IASB Foundation Constitution are indicated by an asterisk):

- Ask the staff to identify and review the issues associated with the topic and to consider the application of the Framework to the issues.
- Study national accounting requirements and practice and exchange views about the issues with national standard setters.

- Consult the Standards Advisory Council about the advisability of adding the topic to the IASB's agenda.*
- Form an advisory group (generally called a 'working group') to advise the IASB and its staff on the project.
- Publish for public comment a discussion document.
- Publish for public comment an exposure draft approved by vote of at least nine IASB members, including any dissenting opinions held by IASB members (in exposure drafts, dissenting opinions are referred to as 'alternative views').*
- Publish within an exposure draft a basis for conclusions.
- Consider all comments received within the comment period on discussion documents and exposure drafts.*
- Consider the desirability of holding a public hearing and the desirability of conducting field tests and, if considered desirable, holding such hearings and conducting such tests.
- Approve a standard by votes of at least nine IASB members and include in the published standard any dissenting opinions.*
- Publish within a standard a basis for conclusions, explaining, among other things, the steps in the IASB's due process and how the IASB dealt with public comments on the exposure draft.

The IASB is required to explain its reasons if it decides not to follow any of the non-mandatory due process steps. Such non-mandatory steps are:

- publishing a discussion document before an exposure draft;
- forming working groups;
- publishing a basis for conclusions;
- holding public hearings;
- conducting field tests.

3.4 IFRS ADVISORY COUNCIL

The IFRS Advisory Council provides a forum for participation by organisations and individuals with an interest in international financial reporting, having diverse geographical and functional backgrounds, with the objective of:

- advising the IASB on agenda decisions and priorities in the IASB's work;
- informing the IASB of the views of the organisations and individuals on the Council on major standard-setting projects;
- giving other advice to the IASB or the trustees.

Under the IFRSF Constitution, the Advisory Council has 30 or more members. The number is currently around 40. Members are appointed by the trustees for a renewable term of three years.

About the IASB's advisory bodies

The development and successful adoption of a single set of high-quality global financial reporting standards for use around the world requires regular input from a wide range of interested parties, widespread support for that objective, and confidence in the quality and relevance of information provided by IFRS. The formal advisory bodies of the IASB provide important channels for the IASB to receive that input and to consult interested parties. Meetings with formal advisory bodies are held in public and are webcast. Forthcoming meetings with advisory bodies are announced on the meetings diary on the IASB website, where recordings and observer notes are also made available.

The IASB has regular public meetings with the IFRS Advisory Council and with the Capital Markets Advisory Committee (CMAC) and the Global Preparers Forum (GPF), among others. The CMAC and the GPF are independent bodies established specifically to cooperate with the IASB and provide international channels for regular, public exchanges with the user and preparer communities. The SME Implementation Group makes recommendations to the IASB on the need to amend the IFRS for SMEs.

Moreover, the IASB establishes formal working groups for many of its major projects to provide additional practical input and expertise. Current working groups are as follows:

- Employee Benefits Working Group;
- Insurance Working Group;
- Joint International Group on Financial Statement Presentation;
- Financial Institution Advisory Group on Financial Statement Presentation;
- Financial Instruments Working Group;
- Lease accounting working group;

Source: www.ifrs.org/How+we+develop+standards/Working+groups.htm.

Supporting the objectives of the IFRS Foundation

All other activities undertaken by the IFRSF in support of the objectives of the organisation are managed by staff members of the Foundation. Those activities include:

- the creation of an XBRL taxonomy for IFRS and the IFRS for SMEs to facilitate the electronic use, exchange and comparability of financial data prepared in accordance with IFRS. This is done by the IFRS XBRL team;
- the production of high-quality, understandable and up-to-date material, including freely downloadable training material for the IFRS for SMEs, and the organisation of conferences and workshops about IFRS. These activities are grouped within the IFRS Foundation Education Initiative;
- the protection of the IFRS brand and the support of global convergence through addressing translation and copyright issues and contributing to the financing of the organisation through the provision of publication services. These activities are grouped under content management;
- operations, including the day-to-day management of and support for the organisation. Also included are communications, improving and expanding external relationships, and promoting a better understanding of the work of the organisation.

The next step in our journey is to introduce the framework, preface, standards and interpretations of IFRS.

Framework, standards and interpretations of IFRS

THE WORK ON STANDARDS, as explained in the preface to the standards, can be segmented into the following areas:

- updating of the Framework, a joint effort with the US FASB;
- IFRS (including IAS) which occupies most of the board time;
- IFRS for SMEs, a streamlining and codification effort at particular intervals;
- interpretations, a technical effort, addressing feedback from the market channelled through the large accounting firms.

In trying to become familiar with IFRS, the reader is encouraged to first look at IFRS for SMEs in order to gain an initial understanding and guidance. The IFRS Foundation provides access free of charge to the current year's consolidated unaccompanied IFRS in English as issued by the IASB and published in the Bound Volume.

Access to the accompanying documents, illustrative examples, implementation guidance and bases for conclusions is available via subscription-based services or by purchasing print versions of IFRS via the IFRS store (see www.ifrs.org/ifrss). You may download the content of this site for your per-

sonal, non-commercial use only. See www.iasb.org/home.htm for copyright notices.

4.1 FRAMEWORK

The current Framework (see content outline below) is outdated and the IASB jointly with the FASB is working on a new version as part of the IASB/FASB Conceptual Framework project. The different phases of the project are:

- Phase A: Objective and qualitative characteristics;
- Phase B: Elements and recognition;
- Phase C: Measurement;
- Phase D: Reporting entity;
- Phase E: Presentation and disclosure;
- Phase F: Purpose and status of framework;
- Phase G: Applicability to not-for-profit entities;
- Phase H: Other issues, if necessary.

Several discussions papers (DPs) and exposure drafts (EDs) were issued in relation to these phases. For the current status see www.iasplus.com/agenda/framework.htm. The total project is expected to be completed by 2012.

Current Framework for the Preparation and Presentation of Financial Statements

The IASB Framework was approved by the IASB Board in April 1989 for publication in July 1989, and adopted by the IASB in April 2001. The Framework defines the objective of general-purpose financial statements. The objective is to provide information about the financial position, performance and changes in financial position of an entity that is useful to a wide range of users in making economic decisions. The Framework identifies the qualitative characteristics that make information in financial statements useful. There are four principal qualitative characteristics:

- understandability;
- relevance;
- reliability;
- comparability.

The Framework defines the basic elements of financial statements and the concepts for recognising and measuring them. Elements directly related to financial position are assets, liabilities and equity. Elements directly related to performance are income and expenses. There is more information on the detailed text of the standard at www.iasb.org/IFRSs/IFRS.htm.

Available information is summarised in the following list. It is worthwhile reviewing this to foster an appreciation of what is associated with appropriately prepared financial statements.

- Preface introduction
 - Purpose and status
 - Scope
 - Users and their information needs
- The objective of financial statements
 - Financial position, performance and changes in financial position
 - Notes and supplementary schedules
- Underlying assumptions
 - Accrual basis
 - Going concern
- Qualitative characteristics of financial statements
 - Understandability
 - Relevance
 - Materiality
 - Reliability
 - Faithful representation
 - Substance over form
 - Neutrality
 - Prudence
 - Completeness
 - Comparability
 - Constraints on relevant and reliable information
 - Timeliness
 - Balance between benefit and cost
 - Balance between qualitative characteristics
 - True and fair view/fair presentation
- The elements of financial statements
 - Financial position
 - Assets
 - Liabilities
 - Equity

- Performance
- Income
- Expenses
- Capital maintenance adjustments
- Recognition of the elements of financial statements
 - The probability of future economic benefit
 - Reliability of measurement
 - Recognition of assets
 - Recognition of liabilities
 - Recognition of income
 - Recognition of expenses
- Measurement of the elements of financial statements
- Concepts of capital and capital maintenance
 - Concepts of capital
 - Concepts of capital maintenance and the determination of profit

IFRS word count comparison

The overall size of the related publication of the accounting standards is well over 1 million words, with the actual standards amounting to most of that, as summarised in Table 4.1. This not only helps to identify the size of standard, in terms of text, but also indicates the comparative importance, as well as the associated complexity.

Accessing IFRSs – HTML and PDF

As indicated earlier, the IFRS are available online through eIFRS. This avenue provides the electronic consolidated edition of International Financial Reporting Standards (including International Accounting Standards and Interpretations) and accompanying documents, shown in Figure 4.1.

For convenience, information is presented in two parts:

- Part A (the requirements) contains the latest version of IFRS, IAS, and IFRIC and SIC Interpretations.
- Part B contains the accompanying documents, such as illustrative examples, implementation guidance, bases for conclusions and dissenting opinions.

IFRS can be accessed in HTML (Hyper Text Markup Language) or PDF (Portable Document Format).

Note also that past versions of IFRS are available, which will be of particular use to accounting, auditing and business reporting professionals.

TABLE 4.1 Accounting standards word count.

Standard	Description	Words
IFRS 1	First-Time Adoption of International of International Financial Reporting Standards	41,730
IFRS 2	Share-Based Payment	67,576
IFRS 3	Business Combinations	91,214
IFRS 4	Insurance Contracts	54,977
IFRS 5	Noncurrent Assets Held for Sale and Discontinued Operations	20,896
IFRS 6	Exploration for and Evaluation of Mineral Resources	10,078
IFRS 7	Financial Instruments Disclosures	30,466
IFRS 8	Operating Segments	23,158
IFRS 9	Financial Instruments	76,393
IFRS 10	Consolidated Financial Statements	43,464
IFRS11	Joint Arrangements	22,477
IFRS12	Disclosure of Interests in Other Entities	19,848
IFRS13	Fair Value Measurement	62,066
IFRS total		564,343
IAS 1	Presentation of Financial Statements	30,135
IAS 2	Inventories	5,981
IAS 7	Cash Flow Statements	6,706
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	10,265
IAS 10	Events After the Balance Sheet Date	3,343
IAS 11	Construction Contracts	4,638
IAS 12	Income Taxes	25,595
IAS 16	Property, Plant and Equipment	12,983
IAS 17	Leases	10,716
IAS 18	Revenue	7,186
IAS 19	Employee Benefits	47,755
IAS 20	Accounting for Government Grants and Disclosure of Assistance	3,712
IAS 21	Effects of Change in Foreign Exchange Rates	12,510
IAS 23	Borrowing Costs	5,784
IAS 24	Related Party Disclosures	9,425

(continued)

TABLE 4.1 (continued)

Standard	Description	Words
IAS 26	Accounting and Reporting by Retirement Benefit Plans	3,380
IAS 27	Consolidated and Separate Financial Statements	20,353
IAS 28	Investments in Associates	8,734
IAS 29	Financial Reporting in Hyperinflationary Economies	3,212
IAS 31	Interest in Joint Ventures	8,499
IAS 32	Financial Instruments Presentation	36,072
IAS 33	Earnings per Share	15,360
IAS 34	Interim Financial Reporting	9,537
IAS 36	Impairment of Assets	63,394
IAS 37	Provisions, Contingent Liabilities, and Contingent Assets	12,224
IAS 38	Intangible Assets	28,963
IAS 39	Financial Instruments: Recognition and Measurement	81,771
IAS 40	Investment Property	18,586
IAS 41	Agriculture	16,038
IAS total		522,857
Overall	(IFRS and IAS)	1087,200

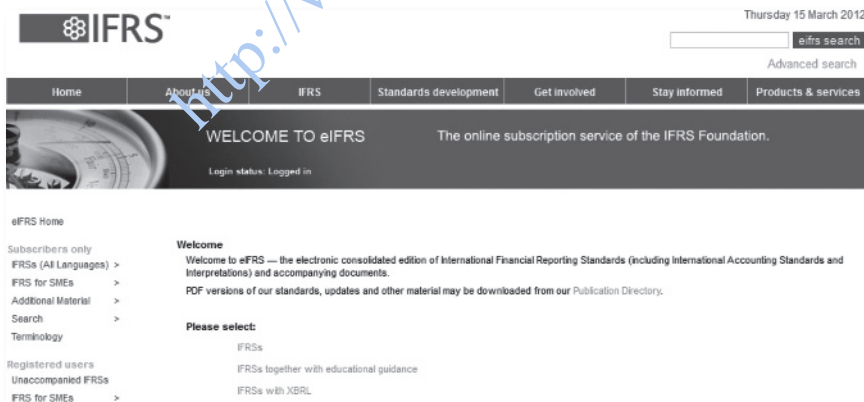


FIGURE 4.1 The electronic edition of IFRS.

Note: Access to this web page requires subscription.

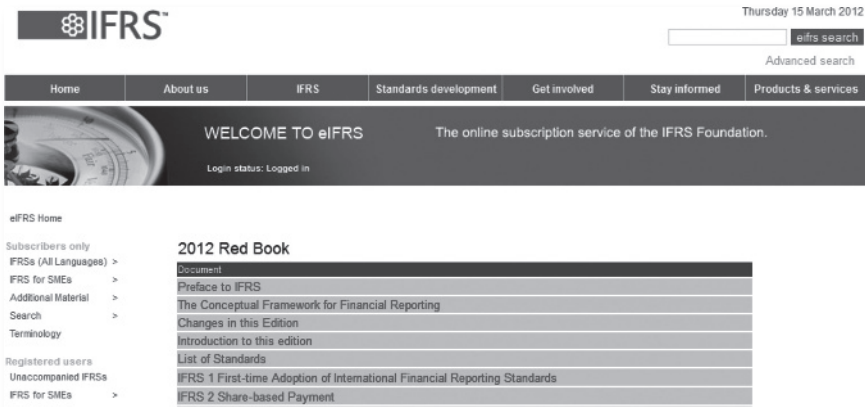


FIGURE 4.2 Latest version of the IFRS book online.

Note: Access to this web page requires subscription.

HTML

The figures show how IFRS information is presented online. As can be seen in Figure 4.2, the latest version of the IFRS book is available in easily accessible sections, whereby an individual IFRS can be selected.

Once a specific IFRS is selected, all associated sections are provided for further access, as shown in Figure 4.3.

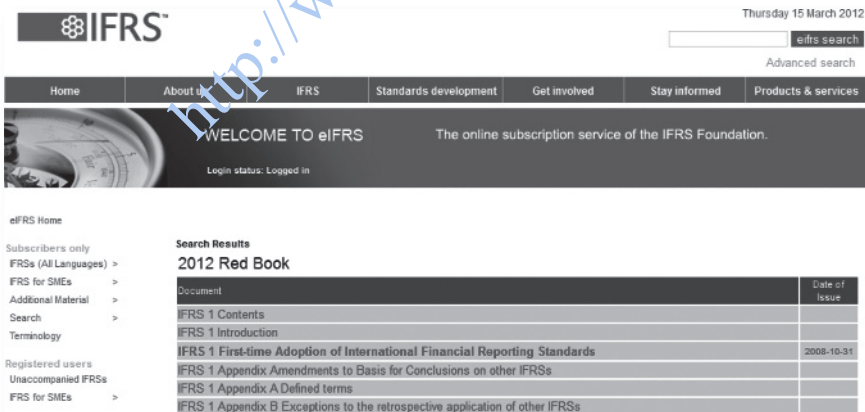


FIGURE 4.3 Sections of the IFRS online.

Note: Access to this web page requires subscription.

International Financial Reporting Standard 1**First-time Adoption of International Financial Reporting Standards**

In April 2001 the International Accounting Standards Board (IASB) adopted SIC-8 *First-time Application of IASs as the Primary Basis of Accounting*, which had been issued by the Standing Interpretations Committee of the International Accounting Standards Committee in July 1998.

In June 2003 the IASB issued IFRS 1 *First-time Adoption of International Financial Reporting Standards* to replace SIC-8. IAS 1 *Presentation of Financial Statements* (as revised in 2007) amended the terminology used throughout IFRSs, including IFRS 1.

The IASB restructured IFRS 1 in November 2008. In December 2010 the IASB amended IFRS 1 to reflect that a first-time adopter would restate past transactions from the date of transition to IFRSs instead of at 1 January 2004.

Since it was issued in 2003, IFRS 1 was amended to accommodate first-time adoption requirements resulting from new or amended IFRSs.

Contents

Introduction	IN1
INTERNATIONAL FINANCIAL REPORTING STANDARD 1	
FIRST-TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS	
Objective	1
Scope	2
Recognition and measurement	6
Opening IFRS statement of financial position	6
Accounting policies	7
Exceptions to the retrospective application of other IFRSs	13

FIGURE 4.4 Hyperlinks through the IFRS.

Note: Access to this web page requires subscription.

When any IFRS is accessed in this manner, the related text is presented in a way that allows for rapid access to sought-after sections by way of hyperlinks, as shown by way of bold text in Figure 4.4.

Within any selected area of an IFRS, various hyperlinks provide rapid access to highlighted sections or related definitions. This approach facilitates research and learning.

PDF

Printable PDF language versions of IFRS are accessible via the IFRS website.

To become familiar with the way that IFRS are presented, as well as to gain an appreciation of the format and content, see Appendix A, which contains an entire standard.

4.2 INTERNATIONAL FINANCIAL REPORTING STANDARDS

Introduction

As indicated previously, the process of developing financial reporting standards is long and involved. The end result is deemed to be worthy of strong consideration and subsequent implementation, to ensure that financial reporting is reliable, as well as comparable. In effect, two groups of financial standards

(IFRS 1–9 and IAS 1–41) exist, and a summary of each standard is provided next, including the objective and scope, among other relevant details.

International Accounting Standards were issued by the IASC from 1973 to 2000. The IASB replaced the IASC in 2001. Since then, the IASB has amended some IAS and has proposed to amend others, has replaced some IAS with new IFRS, and has adopted or proposed certain new IFRS on topics for which there was no previous IAS. Through committees, both the IASC and the IASB have issued Interpretations of Standards. Due to these changes, some numbered standards and interpretations have been deleted and the numbering is not consecutive at this time. As of November 2012, the following standards and interpretations are effective, or earlier adoption is encouraged.

International Financial Reporting Standards (IFRS 1–13)

IFRS 1 First-Time Adoption of International Financial Reporting Standards

Objective The objective of this IFRS is to ensure that an entity's first IFRS financial statements, and its interim financial reports for part of the period covered by those financial statements, contain high-quality information that:

- (a) is transparent for users and comparable over all periods presented;
- (b) provides a suitable starting point for accounting in accordance with IFRS;
- (c) can be generated at a cost that does not exceed the benefits.

Scope An entity shall apply this IFRS in:

- (a) its first IFRS financial statements;
- (b) each interim financial report, if any, that it presents in accordance with IAS 34 Interim Financial Reporting for part of the period covered by its first IFRS financial statements.

An entity's first IFRS financial statements are the first annual financial statements in which the entity adopts IFRS, by an explicit and unreserved statement in those financial statements of compliance with IFRS. Financial statements in accordance with IFRS are an entity's first IFRS financial statements if, for example, the entity:

- (a) presented its most recent previous financial statements:
 - (i) in accordance with national requirements that are not consistent with IFRS in all respects;

- (ii) in conformity with IFRS in all respects, except that the financial statements did not contain an explicit and unreserved statement that they complied with IFRS;
 - (iii) containing an explicit statement of compliance with some, but not all, IFRS;
 - (iv) in accordance with national requirements inconsistent with IFRS, using some individual IFRS to account for items for which national requirements did not exist; or
 - (v) in accordance with national requirements, with a reconciliation of some amounts to the amounts determined in accordance with IFRS;
- (b) prepared financial statements in accordance with IFRS for internal use only, without making them available to the entity's owners or any other external users;
 - (c) prepared a reporting package in accordance with IFRS for consolidation purposes without preparing a complete set of financial statements as defined in IAS 1 *Presentation of Financial Statements* (as revised in 2007); or
 - (d) did not present financial statements for previous periods.

This IFRS applies when an entity first adopts IFRS. It does not apply when, for example, an entity:

- (a) stops presenting financial statements in accordance with national requirements, having previously presented them as well as another set of financial statements that contained an explicit and unreserved statement of compliance with IFRS;
- (b) presented financial statements in the previous year in accordance with national requirements and those financial statements contained an explicit and unreserved statement of compliance with IFRS; or
- (c) presented financial statements in the previous year that contained an explicit and unreserved statement of compliance with IFRS, even if the auditors qualified their audit report on those financial statements.

This IFRS does not apply to changes in accounting policies made by an entity that already applies IFRS. Such changes are the subject of:

- (a) requirements on changes in accounting policies in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; and
- (b) specific transitional requirements in other IFRS.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 1 appears below:

- Recognition and measurement
 - Opening IFRS statement of financial position
 - Accounting policies
 - Exceptions to the retrospective application of other IFRS
 - Estimates
 - Exemptions from other IFRS
- Presentation and disclosure
 - Comparative information
 - Non-IFRS comparative information and historical summaries
 - Explanation of transition to IFRS
 - Reconciliations
 - Designation of financial assets or financial liabilities
 - Use of fair value as deemed cost
 - Use of deemed cost for investments in subsidiaries, jointly controlled entities and associates
 - Use of deemed cost for oil and gas assets
 - Interim financial reports
- Effective date
- Withdrawal of IFRS 1 (issued 2003)
- Appendices:
 - A Defined terms
 - B Exceptions to the retrospective application of other IFRS
 - C Exemptions for business combinations
 - D Exemptions from other IFRS
 - E Short-term exemptions from IFRS

Last changed July 2011

Interpretations IFRS 1 supersedes SIC 8, *First-time Application of IASs as the Primary Basis of Accounting*. More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRS. Figure 4.5 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_EffectOfTransitionToIFRSsMember"
  xlink:type="locator" xlink:label="loc_24"/>
<link:presentationArc xlink:type="arc" order="20.0" xlink:to="loc_24" xlink:from="loc_21"
  xlink:arcrole="http://www.xbrl.org/2003/arcrole/parent-child"/>
```

FIGURE 4.5 Fragment of XBRL tagging related to IFRS 1.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IFRS 2 Share-Based Payment

Objective The objective of this IFRS is to ensure that an entity's first IFRS financial statements, and its interim financial reports for part of the period covered by those financial statements, contain high-quality information that:

- (a) is transparent for users and comparable over all periods presented;
- (b) provides a suitable starting point for accounting in accordance with IFRS;
- (c) can be generated at a cost that does not exceed the benefits.

Scope An entity shall apply this IFRS in:

- (a) its first IFRS financial statements;
- (b) each interim financial report, if any, that it presents in accordance with IAS 34 *Interim Financial Reporting* for part of the period covered by its first IFRS financial statements.

An entity's first IFRS financial statements are the first annual financial statements in which the entity adopts IFRS, by an explicit and unreserved statement in those financial statements of compliance with IFRS. Financial statements in accordance with IFRS are an entity's first IFRS financial statements if, for example, the entity:

- (a) presented its most recent previous financial statements:
 - (i) in accordance with national requirements that are not consistent with IFRS in all respects;
 - (ii) in conformity with IFRS in all respects, except that the financial statements did not contain an explicit and unreserved statement that they complied with IFRS;

- (iii) containing an explicit statement of compliance with some, but not all, IFRS;
 - (iv) in accordance with national requirements inconsistent with IFRS, using some individual IFRS to account for items for which national requirements did not exist; or
 - (v) in accordance with national requirements, with a reconciliation of some amounts to the amounts determined in accordance with IFRS;
- (b) prepared financial statements in accordance with IFRS for internal use only, without making them available to the entity's owners or any other external users;
 - (c) prepared a reporting package in accordance with IFRS for consolidation purposes without preparing a complete set of financial statements as defined in IAS 1 *Presentation of Financial Statements* (as revised in 2007); or
 - (d) did not present financial statements for previous periods.

This IFRS applies when an entity first adopts IFRS. It does not apply when, for example, an entity:

- (a) stops presenting financial statements in accordance with national requirements, having previously presented them as well as another set of financial statements that contained an explicit and unreserved statement of compliance with IFRS;
- (b) presented financial statements in the previous year in accordance with national requirements and those financial statements contained an explicit and unreserved statement of compliance with IFRS; or
- (c) presented financial statements in the previous year that contained an explicit and unreserved statement of compliance with IFRS, even if the auditors qualified their audit report on those financial statements.

This IFRS does not apply to changes in accounting policies made by an entity that already applies IFRS. Such changes are the subject of:

- (a) requirements on changes in accounting policies in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*; and
- (b) specific transitional requirements in other IFRS.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 2 appears next:

- Recognition
- Equity-settled share-based payment transactions
 - Overview
 - Transactions in which services are received
 - Transactions measured by reference to the fair value of the equity instruments granted
 - Determining the fair value of equity instruments granted
 - Treatment of vesting conditions
 - Treatment of non-vesting conditions
 - Treatment of a reload feature
 - After vesting date
 - If the fair value of the equity instruments cannot be estimated reliably
 - Modifications to the terms and conditions on which equity Instruments were granted, including cancellations and settlements
- Cash-settled share-based payment transactions
- Share-based payment transactions with cash alternatives
 - Share-based payment transactions in which the terms of the arrangement provide the counterparty with a choice of settlement
 - Share-based payment transactions in which the terms of the arrangement provide the entity with a choice of settlement
- Share-based payment transactions among group entities
- Disclosures
- Transitional provisions
- Effective date
- Withdrawal of interpretations
- Appendices:
 - A Defined terms
 - B Application guidance
 - C Amendments to other IFRS

Last changed January 2010

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm

XBRL tags XBRL is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRS. Figure 4.6 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="..//ifrs-cor_2011-03-25.xsd#ifrs_DisclosureOfNumberAndWeightedAverageExercisePricesOfShareOptionsAbstract"
  xlink:type="locator" xlink:label="loc"/>
<link:loc xlink:href="..//ifrs-cor_2011-03-
```

FIGURE 4.6 Fragment of XBRL tagging related to IFRS 2.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IFRS 3 Business Combinations

Objective The objective of this IFRS is to improve the relevance, reliability and comparability of the information that a reporting entity provides in its financial statements about a business combination and its effects. To accomplish that, this IFRS establishes principles and requirements for how the acquirer:

- (a) recognises and measures in its financial statements the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree;
- (b) recognises and measures the goodwill acquired in the business combination or a gain from a bargain purchase;
- (c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination.

Scope This IFRS applies to a transaction or other event that meets the definition of a business combination. This IFRS does not apply to:

- (a) the formation of a joint venture;
- (b) the acquisition of an asset or a group of assets that does not constitute a business. In such cases the acquirer shall identify and recognise the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 *Intangible Assets*) and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill;
- (c) a combination of entities or businesses under common control.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 3 appears below:

- Identifying a business combination
- The acquisition method
 - Identifying the acquirer
 - Determining the acquisition date
 - Recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree
 - Recognition principle
 - Recognition conditions
 - Classifying or designating identifiable assets acquired and liabilities assumed in a business combination
- Measurement principle
- Exceptions to the recognition or measurement principles
 - Exception to the recognition principle
 - Contingent liabilities
 - Exceptions to both the recognition and measurement principles
 - Income taxes
 - Employee benefits
 - Indemnification assets
 - Exceptions to the measurement principle
 - Reacquired rights
 - Share-based payment awards
 - Assets held for sale
- Recognising and measuring goodwill or a gain from a bargain purchase
 - Bargain purchases
 - Consideration transferred
 - Contingent consideration
- Additional guidance for applying the acquisition method to particular types of business combinations
 - A business combination achieved in stages
 - A business combination achieved without the transfer of consideration
- Measurement period
- Determining what is part of the business combination transaction
 - Acquisition-related costs
- Subsequent measurement and accounting
 - Reacquired rights
 - Contingent liabilities

- Indemnification assets
- Contingent consideration
- Disclosures
- Effective date and transition
 - Effective date
 - Transition
 - Income taxes
- Withdrawal of IFRS 3 (2004)
- Appendices:
 - A Defined terms
 - B Application guidance
 - C Amendments to other IFRS

Last changed July 2010

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRS. Figure 4.7 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href=" ../../ifrs-cor_2011-03-25.xsd#ifrs_DescriptionOfPrimaryReasonsForBusinessCombination" xlink:type="locator"
  xlink:label="loc_10"/>
<link:definitionArc xlink:type="arc" order="50.0" xlink:to="loc_10" xlink:from="loc_30"
```

FIGURE 4.7 Fragment of XBRL tagging related to IFRS 3.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IFRS 4 Insurance Contracts

Objective The objective of this IFRS is to specify the financial reporting for insurance contracts by any entity that issues such contracts (described in this

IFRS as an insurer) until the board completes the second phase of its project on insurance contracts. In particular, this IFRS requires:

- (a) limited improvements to accounting by insurers for insurance contracts;
- (b) disclosure that identifies and explains the amounts in an insurer's financial statements arising from insurance contracts and helps users of those financial statements understand the amount, timing and uncertainty of future cash flows from insurance contracts.

Scope An entity shall apply this IFRS to:

- (a) insurance contracts (including reinsurance contracts) that it issues and reinsurance contracts that it holds;
- (b) financial instruments that it issues with a discretionary participation feature. IFRS 7 *Financial Instruments: Disclosures* requires disclosure about financial instruments, including financial instruments that contain such features.

This IFRS does not address other aspects of accounting by insurers, such as accounting for financial assets held by insurers and financial liabilities issued by insurers (see IAS 32 *Financial Instruments: Presentation*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 and IFRS 9 *Financial Instruments*), except in the transitional provisions in paragraph 45.

An entity shall not apply this IFRS to:

- (a) product warranties issued directly by a manufacturer, dealer or retailer (see IAS 18 *Revenue* and IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*);
- (b) employers' assets and liabilities under employee benefit plans (see IAS 19 *Employee Benefits* and IFRS 2 *Share-based Payment*) and retirement benefit obligations reported by defined benefit retirement plans (see IAS 26 *Accounting and Reporting by Retirement Benefit Plans*);
- (c) contractual rights or contractual obligations that are contingent on the future use of, or right to use, a non-financial item (for example, some licence fees, royalties, contingent lease payments and similar items), as well as a lessee's residual value guarantee embedded in a finance lease (see IAS 17 *Leases*, IAS 18 *Revenue* and IAS 38 *Intangible Assets*);
- (d) financial guarantee contracts unless the issuer has previously asserted explicitly that it regards such contracts as insurance contracts and has

used accounting applicable to insurance contracts, in which case the issuer may elect to apply either IAS 32, IFRS 7 and IFRS 9 or this IFRS to such financial guarantee contracts. The issuer may make that election contract by contract, but the election for each contract is irrevocable;

- (e) contingent consideration payable or receivable in a business combination (see IFRS 3 *Business Combinations*);
- (f) direct insurance contracts that the entity holds (i.e. direct insurance contracts in which the entity is the policyholder). However, a cedant shall apply this IFRS to reinsurance contracts that it holds.

For ease of reference, this IFRS describes any entity that issues an insurance contract as an insurer, whether or not the issuer is regarded as an insurer for legal or supervisory purposes.

A reinsurance contract is a type of insurance contract. Accordingly, all references in this IFRS to insurance contracts also apply to reinsurance contracts.

Embedded derivatives IFRS 9 requires an entity to separate some embedded derivatives from their host contract, measure them at fair value and include changes in their fair value in profit or loss. IFRS 9 applies to derivatives embedded in an insurance contract unless the embedded derivative is itself an insurance contract.

As an exception to the requirements in IFRS 9, an insurer need not separate, and measure at fair value, a policyholder's option to surrender an insurance contract for a fixed amount (or for an amount based on a fixed amount and an interest rate), even if the exercise price differs from the carrying amount of the host insurance liability. However, the requirements in IFRS 9 do apply to a put option or cash surrender option embedded in an insurance contract if the surrender value varies in response to the change in a financial variable (such as an equity or commodity price or index), or a non-financial variable that is not specific to a party to the contract. Furthermore, those requirements also apply if the holder's ability to exercise a put option or cash surrender option is triggered by a change in such a variable (for example, a put option that can be exercised if a stock market index reaches a specified level). This applies equally to options to surrender a financial instrument containing a discretionary participation feature.

Unbundling of deposit components Some insurance contracts contain both an insurance component and a deposit component. In some cases, an insurer is required or permitted to unbundle those components:

- (a) Unbundling is required if both the following conditions are met:
 - (i) the insurer can measure the deposit component (including any embedded surrender options) separately (i.e. without considering the insurance component);
 - (ii) the insurer's accounting policies do not otherwise require it to recognise all obligations and rights arising from the deposit component.
- (b) Unbundling is permitted, but not required, if the insurer can measure the deposit component separately as in (a)(i) but its accounting policies require it to recognise all obligations and rights arising from the deposit component, regardless of the basis used to measure those rights and obligations.
- (c) Unbundling is prohibited if an insurer cannot measure the deposit component separately as in (a)(i).

The following is an example of a case when an insurer's accounting policies do not require it to recognise all obligations arising from a deposit component. A cedant receives compensation for losses from a reinsurer, but the contract obliges the cedant to repay the compensation in future years. That obligation arises from a deposit component. If the cedant's accounting policies would otherwise permit it to recognise the compensation as income without recognising the resulting obligation, unbundling is required.

To unbundle a contract, an insurer shall:

- (a) apply this IFRS to the insurance component;
- (b) apply IFRS 9 to the deposit component.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 4 appears next:

- Recognition and measurement
 - Temporary exemption from some other IFRS
 - Liability adequacy test
 - Impairment of reinsurance assets
 - Changes in accounting policies
 - Current market interest rates
 - Continuation of existing practices
 - Prudence
 - Future investment margins

- Shadow accounting
- Insurance contracts acquired in a business combination or portfolio transfer
- Discretionary participation features
 - Discretionary participation features in insurance contracts
 - Discretionary participation features in financial instruments
- Disclosure
 - Explanation of recognised amounts
 - Nature and extent of risks arising from insurance contracts
- Effective date and transition
 - Disclosure
 - Re-designation of financial assets
- Appendices:
 - A Defined terms
 - B Definition of an insurance contract
 - C Amendments to other IFRS

Last changed August 2005

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRS. Figure 4.8 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../ifrs-cor_2011-03-25.xsd#ifrs_LiabilitiesArisingFromInsuranceContracts" xlink:type="locator"
xlink:label="loc"/>
<link:loc xlink:href="../../ifrs-cor_2011-03-25.xsd#ifrs_UnearnedPremiums"
```

FIGURE 4.8 Fragment of XBRL tagging related to IFRS 4.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Objective The objective of this IFRS is to specify the accounting for assets held for sale, and the presentation and disclosure of discontinued operations. In particular, the IFRS requires:

- (a) assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets to cease;
- (b) assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of comprehensive income.

Scope The classification and presentation requirements of this IFRS apply to all recognised non-current assets and to all disposal groups of an entity. The measurement requirements of this IFRS apply to all recognised non-current assets and disposal groups which shall continue to be measured in accordance with the Standard noted.

Assets classified as non-current in accordance with IAS 1 *Presentation of Financial Statements* shall not be reclassified as current assets until they meet the criteria to be classified as held for sale in accordance with this IFRS. Assets of a class that an entity would normally regard as non-current that are acquired exclusively with a view to resale shall not be classified as current unless they meet the criteria to be classified as held for sale in accordance with this IFRS.

Sometimes an entity disposes of a group of assets, possibly with some directly associated liabilities, together in a single transaction. Such a disposal group may be a group of cash-generating units, a single cash-generating unit, or part of a cash-generating unit. The group may include any assets and any liabilities of the entity. If a non-current asset within the scope of the measurement requirements of this IFRS is part of a disposal group, the measurement requirements of this IFRS apply to the group as a whole, so that the group is measured at the lower of its carrying amount and fair value less costs to sell.

The measurement provisions of this IFRS do not apply to the following assets, which are covered by the IFRS listed, either as individual assets or as part of a disposal group:

- (a) deferred tax assets (IAS 12 *Income Taxes*);
- (b) assets arising from employee benefits (IAS 19 *Employee Benefits*);

- (c) financial assets within the scope of IFRS 9 *Financial Instruments*;
- (d) non-current assets that are accounted for in accordance with the fair value model in IAS 40 *Investment Property*;
- (e) non-current assets that are measured at fair value less costs to sell in accordance with IAS 41 *Agriculture*;
- (f) contractual rights under insurance contracts as defined in IFRS 4 *Insurance Contracts*.

The classification, presentation and measurement requirements in this IFRS applicable to a non-current asset (or disposal group) that is classified as held for sale apply also to a non-current asset (or disposal group) that is classified as held for distribution to owners acting in their capacity as owners (held for distribution to owners).

This IFRS specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. Disclosures in other IFRS do not apply to such assets (or disposal groups) unless those IFRS require:

- (a) specific disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations; or
- (b) disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of IFRS 5 and such disclosures are not already provided in the other notes to the financial statements.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 5 appears next:

- Classification of non-current assets (or disposal groups) as held for sale or as held for distribution to owners
 - Non-current assets that are to be abandoned
- Measurement of non-current assets (or disposal groups) classified as held for sale
 - Measurement of a non-current asset (or disposal group)
 - Recognition of impairment losses and reversals
 - Changes to a plan of sale
- Presentation and disclosure
 - Presenting discontinued operations
 - Gains or losses relating to continuing operations

- Presentation of a non-current asset or disposal group classified as held for sale
- Additional disclosures
- Transitional provisions
- Effective date
- Withdrawal of IAS 35
- Appendices:
 - A Defined terms
 - B Application supplement
 - Extension of the period required to complete a sale
 - C Amendments to other IFRS

Last changed January 2010

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRS. Figure 4.9 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href=" ../ifrs-conf_2011-03-25.xsd#ifrs_CashFlowsFromUsedInOperatingActivitiesDiscontinuedOperations"
  xlink:type="locator" xlink:label="loc_3"/>
<link:calculationArc xlink:type="arc" weight="1" order="20.0" xlink:to="loc_3" xlink:from="loc"
```

FIGURE 4.9 Fragment of XBRL tagging related to IFRS 5.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IFRS 6 Exploration for and Evaluation of Mineral Resources

Objective The objective of this IFRS is to specify the financial reporting for the exploration for and evaluation of mineral resources. In particular, the IFRS requires:

- (a) limited improvements to existing accounting practices for exploration and evaluation expenditures;
- (b) entities that recognise exploration and evaluation assets to assess such assets for impairment in accordance with this IFRS and measure any impairment in accordance with IAS 36 *Impairment of Assets*;
- (c) disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognised.

Scope An entity shall apply the IFRS to exploration and evaluation expenditures that it incurs. The IFRS does not address other aspects of accounting by entities engaged in the exploration for and evaluation of mineral resources.

An entity shall not apply the IFRS to expenditures incurred:

- (a) before the exploration for and evaluation of mineral resources, such as expenditures incurred before the entity has obtained the legal rights to explore a specific area;
- (b) after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 6 appears next:

- Recognition of exploration and evaluation assets
- Measurement of exploration and evaluation assets
 - Measurement at recognition
 - Elements of cost of exploration and evaluation assets
 - Measurement after recognition
 - Changes in accounting policies
- Presentation
 - Classification of exploration and evaluation assets
 - Reclassification of exploration and evaluation assets
- Impairment
 - Recognition and measurement
 - Specifying the level at which exploration and evaluation assets are assessed for impairment

- Disclosure
- Effective date
- Transitional provisions
- Appendices:
 - A Defined terms
 - B Amendments to other IFRS

Last changed June 2005

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRS. Figure 4.10 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../ifrs-cor_2011-03-25.xsd#ifrs_LiabilitiesArisingFromExplorationForAndEvaluationOfMineralResources"
  xlink:type="locator" xlink:label="loc_4"/>
<link:presentationArc xlink:type="arc" order="30.0" xlink:to="loc_4" xlink:from="loc"
```

FIGURE 4.10 Fragment of XBRL tagging related to IFRS 6.

Source: www.iasb.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IFRS 7 Financial Instruments Disclosures

Objective The objective of this IFRS is to require entities to provide disclosures in their financial statements that enable users to evaluate:

- (a) the significance of financial instruments for the entity's financial position and performance;
- (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

The principles in this IFRS complement the principles for recognising, measuring and presenting financial assets and financial liabilities in IAS 32 *Financial Instruments: Presentation* and IFRS 9 *Financial Instruments*.

Scope This IFRS shall be applied by all entities to all types of financial instruments, except:

- (a) those interests in subsidiaries, associates or joint ventures that are accounted for in accordance with IAS 27 *Consolidated and Separate Financial Statements*, IAS 28 *Investments in Associates* or IAS 31 *Interests in Joint Ventures*. However, in some cases, IAS 27, IAS 28 or IAS 31 permits an entity to account for an interest in a subsidiary, associate or joint venture using IFRS 9; in those cases, entities shall apply the requirements of this IFRS. Entities shall also apply this IFRS to all derivatives linked to interests in subsidiaries, associates or joint ventures unless the derivative meets the definition of an equity instrument in IAS 32;
- (b) employers' rights and obligations arising from employee benefit plans, to which IAS 19 *Employee Benefits* applies;
- (c) insurance contracts as defined in IFRS 4 *Insurance Contracts*. However, this IFRS applies to derivatives that are embedded in insurance contracts if IFRS 9 requires the entity to account for them separately. Moreover, an issuer shall apply this IFRS to financial guarantee contracts if the issuer applies IFRS 9 in recognising and measuring the contracts, but shall apply IFRS 4 if the issuer elects, in accordance with paragraph 4(d) of IFRS 4, to apply IFRS 4 in recognising and measuring them;
- (d) financial instruments, contracts and obligations under share-based payment transactions to which IFRS 2 *Share-based Payment* applies, except that this IFRS applies to contracts within the scope of IFRS 9;
- (e) instruments that are required to be classified as equity instruments in accordance with paragraphs 16A and 16B or paragraphs 16C and 16D of IAS 32.

This IFRS applies to recognised and unrecognised financial instruments. Recognised financial instruments include financial assets and financial liabilities that are within the scope of IFRS 9. Unrecognised financial instruments include some financial instruments that, although outside the scope of IFRS 9, are within the scope of this IFRS (such as some loan commitments).

This IFRS applies to contracts to buy or sell a non-financial item that are within the scope of IFRS 9.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 7 appears below:

- Classes of financial instruments and level of disclosure
- Significance of financial instruments for financial position and performance
 - Statement of financial position
 - Categories of financial assets and financial liabilities
 - Financial assets or financial liabilities at fair value through profit or loss
 - Financial assets measured at fair value through other comprehensive income
 - Reclassification
 - Collateral
 - Allowance account for credit losses
 - Compound financial instruments with multiple embedded derivatives
 - Defaults and breaches
 - Statement of comprehensive income
 - Items of income, expense, gains or losses
 - Other disclosures
 - Accounting policies
 - Hedge accounting
 - Fair value
- Nature and extent of risks arising from financial instruments
 - Qualitative disclosures
 - Quantitative disclosures
- Credit risk
 - Financial assets that are either past due or impaired
 - Collateral and other credit enhancements obtained
 - Liquidity risk
- Market risk
 - Sensitivity analysis
 - Other market risk disclosures
- Transfers of financial assets
 - Transferred financial assets that are not recognised in their entirety
 - Transferred financial assets that are derecognised in their entirety
 - Supplementary information
- Effective date and transition
- Withdrawal of IAS 30

- Appendices:
 - A Defined terms
 - B Application guidance
 - C Amendments to other IFRS

Last changed December 2011

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRS. Figure 4.11 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_GainLossArisingFromDerecognitionOfFinancialAssetsMeasuredAtAmortisedCost"
  xlink:type="locator" xlink:label="loc_31"/>
<link:loc xlink:href="../../../ifrs-cor_2011-03-
```

FIGURE 4.11 Fragment of XBRL tagging related to IFRS 7.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IFRS 8 Operating Segments

Objective An entity shall disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

Scope This IFRS shall apply to:

- (a) the separate or individual financial statements of an entity:
 - (i) whose debt or equity instruments are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or

- (ii) that files, or is in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market; and
- (b) the consolidated financial statements of a group with a parent:
 - (i) whose debt or equity instruments are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or
 - (ii) that files, or is in the process of filing, the consolidated financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

If an entity that is not required to apply this IFRS chooses to disclose information about segments that does not comply with this IFRS, it shall not describe the information as segment information.

If a financial report contains both the consolidated financial statements of a parent that is within the scope of this IFRS and the parent's separate financial statements, segment information is required only in the consolidated financial statements.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 8 appears below:

- Operating segments
- Reportable segments
 - Aggregation criteria
 - Quantitative thresholds
- Disclosure
 - General information
 - Information about profit or loss, assets and liabilities
- Measurement
 - Reconciliations
 - Restatement of previously reported information
- Entity-wide disclosures
 - Information about products and services
 - Information about geographical areas
 - Information about major customers
- Transition and effective date
- Withdrawal of IAS 14

- Appendices:
 - A Defined term
 - B Amendments to other IFRS

Last changed January 2010

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRS. Figure 4.12 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../ifrs-cor_2011-03-25.xsd#ifrs_RevenuesFromTransactionsWithOtherOperatingSegmentsOfSameEntity"
  xlink:type="locator" xlink:label="loc_3"/>
<link:calculationArc xlink:type="arc" weight="1" order="20.0" xlink:to="loc_3" xlink:from="loc"
```

FIGURE 4.12 Fragment of XBRL tagging related to IFRS 8.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IFRS 9 Financial Instruments

Objective The objective of this IFRS is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.

Scope An entity shall apply this IFRS to all items within the scope of IAS 39 *Financial Instruments: Recognition and Measurement*.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 9 appears next:

- Recognition and derecognition
- Classification
- Measurement

- Hedge accounting
- Effective date and transition
- Appendices:
 - A Defined terms
 - B Application guidance
 - C Amendments to other IFRS

Last changed December 2011

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Please note that, currently, no XBRL tagging is related directly to this standard.

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IFRS 10 Consolidated Financial Statements

Objective The objective of this IFRS is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. To meet the objective, this IFRS:

- (a) requires an entity (the parent) that controls one or more other entities (subsidiaries) to present consolidated financial statements;
- (b) defines the principle of control, and establishes control as the basis for consolidation;
- (c) sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee;
- (d) sets out the accounting requirements for the preparation of consolidated financial statements.

This IFRS does not deal with the accounting requirements for business combinations and their effect on consolidation, including goodwill arising on a business combination (see IFRS 3 *Business Combinations*).

Scope An entity that is a parent shall present consolidated financial statements. This IFRS applies to all entities, except as follows:

- (a) A parent need not present consolidated financial statements if it meets all the following conditions:
 - (i) it is a wholly owned subsidiary or is a partially owned subsidiary of another entity and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements;
 - (ii) its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);
 - (iii) it did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market;
 - (iv) its ultimate or any intermediate parent produces consolidated financial statements that are available for public use and comply with IFRSs.
- (b) Post-employment benefit plans or other long-term employee benefit plans to which IAS 19 *Employee Benefits* applies.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 10 appears next:

- Control
 - Power
 - Returns
 - Link between power and returns
- Accounting requirements
 - Non-controlling interests
 - Loss of control
- Appendices:
 - A Defined terms
 - B Application guidance
 - Assessing control
 - Purpose and design of an investee
 - Power
 - Exposure, or rights, to variable returns from an investee
 - Link between power and returns

- Delegated power
- Relationship with other parties
- Control of specified assets
- Continuous assessment
- Accounting requirements
 - Consolidation procedures
 - Uniform accounting policies
 - Measurement
 - Potential voting rights
 - Reporting date
 - Non-controlling interests
 - Changes in the proportion held by non-controlling interests
 - Loss of control
- C Effective date and transition
- D Amendments to other IFRS
- Basis for conclusions
- Appendix:
 - Amendments to the Basis for Conclusions on other IFRS

Last changed May 2011

Interpretations IFRS 10 superseded SIC-12 Consolidation – Special Purpose Entities

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Please note that, currently, no XBRL tagging is related directly to this standard.

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IFRS 11 Joint Arrangements

Objective The objective of this IFRS is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements).

To meet the objective, this IFRS defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement.

Scope This IFRS shall be applied by all entities that are a party to a joint arrangement.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 11 appears below:

- Joint arrangements
 - Joint control
 - Types of joint arrangement
- Financial statements of parties to a joint arrangement
 - Joint operations
 - Joint ventures
- Separate financial statements
- Appendices:
 - A Defined terms
 - B Application guidance
 - C Effective date, transition and withdrawal of other IFRS
 - D Amendments to other IFRS
- Approval by the Board of IFRS 11 issued in May 2011
- Basis for conclusion
- Appendix:
 - Amendments to the Basis for Conclusions on other IFRS
- Illustrative examples

Last changed May 2011

Interpretations IFRS 11 superseded SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data

partners perfectly with IFRSs. Please note that, currently, no XBRL tagging is related directly to this standard.

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IFRS 12 Disclosure of Interests in Other Entities

Objective The objective of this IFRS is to require an entity to disclose information that enables users of its financial statements to evaluate:

- (a) the nature of, and risks associated with, its interests in other entities;
- (b) the effects of those interests on its financial position, financial performance and cash flows.

To meet the objective, an entity shall disclose:

- (a) the significant judgements and assumptions it has made in determining the nature of its interest in another entity or arrangement, and in determining the type of joint arrangement in which it has an interest;
- (b) information about its interests in:
 - (i) subsidiaries;
 - (ii) joint arrangements and associates;
 - (iii) structured entities that are not controlled by the entity (unconsolidated structured entities).

If the disclosures required by this IFRS, together with disclosures required by other IFRS, do not meet the objective stated above, an entity shall disclose whatever additional information is necessary to meet that objective.

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

Scope This IFRS shall be applied by an entity that has an interest in any of the following:

- (a) subsidiaries;
- (b) joint arrangements (i.e. joint operations or joint ventures);
- (c) associates;
- (d) unconsolidated structured entities.

This IFRS does not apply to:

- (a) post-employment benefit plans or other long-term employee benefit plans to which IAS 19 *Employee Benefits* applies;
- (b) an entity's separate financial statements to which IAS 27 *Separate Financial Statements* applies. However, if an entity has interests in unconsolidated structured entities and prepares separate financial statements as its only financial statements, it shall apply the requirements when preparing those separate financial statements;
- (c) an interest held by an entity that participates in, but does not have joint control of, a joint arrangement unless that interest results in significant influence over the arrangement or is an interest in a structured entity;
- (d) an interest in another entity that is accounted for in accordance with IFRS 9 *Financial Instruments*. However, an entity shall apply this IFRS:
 - (i) when that interest is an interest in an associate or a joint venture that, in accordance with IAS 28 *Investments in Associates and Joint Ventures*, is measured at fair value through profit or loss; or
 - (ii) when that interest is an interest in an unconsolidated structured entity.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 12 appears next:

- Significant judgements and assumptions
- Interests in subsidiaries
 - The interest that non-controlling interests have in the group's activities and cash flows
 - The nature and extent of significant restrictions
 - Nature of the risks associated with an entity's interests in consolidated structured entities
 - Consequences of changes in a parent's ownership interest in a subsidiary that do not result in a loss of control
 - Consequences of losing control of a subsidiary during the reporting period
- Interests in joint arrangements and associates
 - Nature, extent and financial effects of an entity's interests in joint arrangements and associates
 - Risks associated with an entity's interests in joint ventures and associates
- Interest in unconsolidated structured entities

- Nature of interests
- Nature of risks
- Appendices:
 - A Defined terms
 - B Application guidance
 - C Effective date and transition
 - D Amendments to other IFRS
- Approval by the Board of IFRS 12 issued in May 2011
- Basis for conclusion on IFRS 12

Last changed May 2011

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRS. Figure 4.13 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../../ifrs-cor_2012-01-16.xsd#ifrs_NameOfSubsidiary" xlink:type="locator" xlink:label="loc_8"/>
<link:definitionArc xlink:type="arc" order="10.0" xlink:to="loc_8" xlink:from="loc_7"
  xlink:arcrole="http://xbrl.org/int/dim/arcrole/domain-member"/>
<link:loc xlink:href="../../../ifrs-cor_2012-01-16.xsd#ifrs_CountryOfIncorporationOrResidenceOfSubsidiary"
```

FIGURE 4.13 Fragment of XBRL tagging related to IFRS 12.

Source: www.ifrs.org/XLRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IFRS 13 Fair Value Measurement

Objective This IFRS defines fair value, sets out in a single IFRS a framework for measuring fair value, and requires disclosures about fair value measurements.

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the

same – to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, an entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

The definition of fair value focuses on assets and liabilities because they are a primary subject of accounting measurement. In addition, this IFRS shall be applied to an entity's own equity instruments measured at fair value.

Scope This IFRS applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except as specified below.

The measurement and disclosure requirements of this IFRS do not apply to the following:

- (a) share-based payment transactions within the scope of IFRS 2 *Share-based Payment*;
- (b) leasing transactions within the scope of IAS 17 *Leases*;
- (c) measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

The disclosures required by this IFRS are not required for the following:

- (a) plan assets measured at fair value in accordance with IAS 19 *Employee Benefits*;
- (b) retirement benefit plan investments measured at fair value in accordance with IAS 26 *Accounting and Reporting by Retirement Benefit Plans*;
- (c) assets for which the recoverable amount is fair value less costs of disposal in accordance with IAS 36.

The fair value measurement framework described in this IFRS applies to both initial and subsequent measurement if fair value is required or permitted by other IFRS.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 13 appears below:

- Measurement
 - Definition of fair value
 - The asset or liability
 - The transaction
 - Market participants
 - The price
 - Application to non-financial assets
 - Application to liabilities and an entity's own equity instruments
 - Application to financial assets and financial liabilities with offsetting positions
 - in market risks or counterparty credit risk
 - Fair value at initial recognition
 - Valuation techniques
 - Inputs to valuation techniques
 - Fair value hierarchy
- Disclosure
- Appendices:
 - A Defined terms
 - B Application guidance
 - C Effective date and transition
 - D Amendments to other IFRS
- Approval by the Board of IFRS 13 issued in May 2011
- Basis for conclusions
- Appendix:
 - Amendments to the Basis for Conclusions on other IFRS
 - Illustrative examples
- Appendix:
 - Amendments to the guidance on other IFRS

Last changed May 2011

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRS. Figure 4.14 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:type="locator" xlink:href="../../../ifrs-cor_2012-01-16.xsd#ifrs_RecurringFairValueMeasurementMember" xlink:label="loc_13"/>
<link:loc xlink:type="locator" xlink:href="../../../ifrs-cor_2012-01-16.xsd#ifrs_AtFairValueMember" xlink:label="loc_12"/>
```

FIGURE 4.14 Fragment of XBRL tagging related to IFRS 13.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

International Accounting Standards (IAS 1–41)

IAS 1 Presentation of Financial Statements

Objective This Standard prescribes the basis for presentation of general purpose financial statements to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. It sets out overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

Scope An entity shall apply this Standard in preparing and presenting general purpose financial statements in accordance with International Financial Reporting Standards. Other IFRS set out the recognition, measurement and disclosure requirements for specific transactions and other events.

This Standard does not apply to the structure and content of condensed interim financial statements prepared in accordance with IAS 34 *Interim Financial Reporting*. This Standard applies equally to all entities, including those that present consolidated financial statements and those that present separate financial statements as defined in IAS 27 *Consolidated and Separate Financial Statements*.

This Standard uses terminology that is suitable for profit-oriented entities, including public sector business entities. If entities with not-for-profit activities in the private sector or the public sector apply this Standard, they may need to amend the descriptions used for particular line items in the financial statements and for the financial statements themselves.

Similarly, entities that do not have equity as defined in IAS 32 *Financial Instruments: Presentation* (e.g. some mutual funds) and entities whose share capital is not equity (e.g. some cooperative entities) may need to adapt the financial statement presentation of members' or unit holders' interests.

Summary In addition to the objective, scope and related introduction, a summary of IAS 1 appears next:

- Definitions
- Financial statements
 - Purpose of financial statements
 - Complete set of financial statements
 - General features
 - Fair presentation and compliance with IFRS
 - Going concern
 - Accrual basis of accounting
 - Materiality and aggregation
 - Offsetting
 - Frequency of reporting
 - Comparative information
 - Consistency of presentation
- Structure and Content
 - Introduction
 - Identification of the financial statements
 - Statement of financial position
 - Information to be presented in the statement of financial position
 - Current/non-current distinction
 - Current assets
 - Current liabilities
 - Information to be presented either in the statement of financial position or in the notes
 - Statement of comprehensive income
 - Information to be presented in the statement of comprehensive income

- Profit or loss for the period
- Other comprehensive income for the period
- Information to be presented in the statement of comprehensive income or in the notes
- Statement of changes in equity
 - Information to be presented in the statement of changes in equity
 - Information to be presented in the statement of changes in equity or in the notes
- Statement of cash flows
- Notes
 - Structure
 - Disclosure of accounting policies
 - Sources of estimation uncertainty
 - Capital
 - Puttable financial instruments classified as equity
 - Other disclosures
- Transition and effective date
- Withdrawal of IAS 1 (revised 2003)
- Appendix:
 - Amendments to other pronouncements

Last changed June 2011

Interpretations IAS 1 (2003) supersedes SIC 18 Consistency – Alternative Methods

IFRIC 17 Distributions of Non-cash Assets to Owners

SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease

SIC 29 Disclosure – Service Concession Arrangements

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRS. Figure 4.15 shows an introductory fragment of XBRL tagging related to this standard.

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

```
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_NoncurrentLiabilities"
  xlink:type="locator" xlink:label="loc_19"/>
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_NoncurrentPayables"
  xlink:type="locator" xlink:label="loc_24"/>
```

FIGURE 4.15 Fragment of XBRL tagging related to IAS 1.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

IAS 2 Inventories

Objective The objective of this Standard is to prescribe the accounting treatment for inventories. A primary issue in accounting for inventories is the amount of cost to be recognised as an asset and carried forward until the related revenues are recognised. This Standard provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realisable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

Scope This Standard applies to all inventories, except:

- (a) work in progress arising under construction contracts, including directly related service contracts (see IAS 11 *Construction Contracts*);
- (b) financial instruments (see IAS 32 *Financial Instruments: Presentation* and IFRS 9 *Financial Instruments*);
- (c) biological assets related to agricultural activity and agricultural produce at the point of harvest (see IAS 41 *Agriculture*).

This Standard does not apply to the measurement of inventories held by:

- (a) producers of agricultural and forest products, agricultural produce after harvest, and minerals and mineral products, to the extent that they are measured at net realisable value in accordance with well-established practices in those industries. When such inventories are measured at net realisable value, changes in that value are recognised in profit or loss in the period of the change;
- (b) commodity broker-traders who measure their inventories at fair value less costs to sell. When such inventories are measured at fair value less costs to sell, changes in fair value less costs to sell are recognised in profit or loss in the period of the change.

The inventories referred to in paragraph (a) immediately above are measured at net realisable value at certain stages of production. This occurs, for

example, when agricultural crops have been harvested or minerals have been extracted and sale is assured under a forward contract or a government guarantee, or when an active market exists and there is a negligible risk of failure to sell. These inventories are excluded from only the measurement requirements of this Standard.

Broker-traders are those who buy or sell commodities for others or on their own account. The inventories referred to in paragraph (b) are principally acquired with the purpose of selling in the near future and generating a profit from fluctuations in price or broker-traders' margins. When these inventories are measured at fair value less costs to sell, they are excluded from only the measurement requirements of this Standard.

Summary In addition to the objective, scope and related introduction, a summary of IAS 2 appears below:

- Definitions
- Measurement of inventories
 - Cost of inventories
 - Costs of purchase
 - Costs of conversion
 - Other costs
 - Cost of inventories of a service provider
 - Cost of agricultural produce harvested from biological assets
 - Techniques for the measurement of cost
 - Cost formulas
 - Net realisable value
- Recognition as an expense
- Disclosure
- Effective date
- Withdrawal of other pronouncements
- Appendix:
 - Amendments to other pronouncements

Last changed January 2005

Interpretations IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

SIC 1 Consistency – Different Cost Formulas for Inventories

SIC 1 was superseded by and incorporated into IAS 2 (Revised 2003)

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.16 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href=" ../ifrs-cor_2011-03-25.xsd#ifrs_ReversalOfInventoryWritedown"
  xlink:type="locator" xlink:label="loc_6"/>
<link:presentationArc xlink:type="arc" order="50.0" xlink:to="loc_6" xlink:from="loc"
  xlink:arcrole="http://www.xbrl.org/2003/arcrole/parent-child"/>
```

FIGURE 4.16 Fragment of XBRL tagging related to IAS 2.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 7 Cash Flow Statements

Objective Information about the cash flows of an entity is useful in providing users of financial statements with a basis to assess the ability of the entity to generate cash and cash equivalents and the needs of the entity to utilise those cash flows. The economic decisions that are taken by users require an evaluation of the ability of an entity to generate cash and cash equivalents and the timing and certainty of their generation.

The objective of this Standard is to require the provision of information about the historical changes in cash and cash equivalents of an entity by means of a statement of cash flows which classifies cash flows during the period from operating, investing and financing activities.

Scope An entity shall prepare a statement of cash flows in accordance with the requirements of this Standard and shall present it as an integral part of its financial statements for each period for which financial statements are presented.

This Standard supersedes IAS 7 *Statement of Changes in Financial Position*, approved in July 1977.

Users of an entity's financial statements are interested in how the entity generates and uses cash and cash equivalents. This is the case regardless of the

nature of the entity's activities and irrespective of whether cash can be viewed as the product of the entity, as may be the case with a financial institution. Entities need cash for essentially the same reasons however different their principal revenue-producing activities might be. They need cash to conduct their operations, to pay their obligations and to provide returns to their investors. Accordingly, this Standard requires all entities to present a statement of cash flows.

Summary In addition to the objective, scope and related introduction, a summary of IAS 7 appears below:

- Benefits of cash flow information
- Definitions
 - Cash and cash equivalents
- Presentation of a statement of cash flows
 - Operating activities
 - Investing activities
 - Financing activities
- Reporting cash flows from operating activities
- Reporting cash flows from investing and financing activities
- Reporting cash flows on a net basis
- Foreign currency cash flows
- Interest and dividends
- Taxes on income
- Investments in subsidiaries, associates and joint ventures
- Changes in ownership interests in subsidiaries and other businesses
- Non-cash transactions
- Components of cash and cash equivalents
- Other disclosures
- Effective date

Last changed January 2010

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data

partners perfectly with IFRSs. Figure 4.17 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href=" ../ifrs-cor_2011-03-25.xsd#ifrs_PaymentsToSuppliersForGoodsAndServices" xlink:type="locator"
xlink:label="loc_12"/>
<link:calculationArc xlink:type="arc" weight="-1" order="70.0" xlink:to="loc_12"
```

FIGURE 4.17 Fragment of XBRL tagging related to IAS 7.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 8 Accounting Policies, Changes in Accounting Estimates, and Errors

Objective The objective of this Standard is to prescribe the criteria for selecting and changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. The Standard is intended to enhance the relevance and reliability of an entity's financial statements, and the comparability of those financial statements over time and with the financial statements of other entities.

Disclosure requirements for accounting policies, except those for changes in accounting policies, are set out in IAS 1 *Presentation of Financial Statements*.

Scope This Standard shall be applied in selecting and applying accounting policies, and accounting for changes in accounting policies, changes in accounting estimates and corrections of prior period errors.

The tax effects of corrections of prior period errors and of retrospective adjustments made to apply changes in accounting policies are accounted for and disclosed in accordance with IAS 12 *Income Taxes*.

Summary In addition to the objective, scope and related introduction, a summary of IAS 8 appears next:

- Definitions
- Accounting policies
 - Selection and application of accounting policies
 - Consistency of accounting policies

- Changes in accounting policies
 - Applying changes in accounting policies
 - Retrospective application
 - Limitations on retrospective application
 - Disclosure
- Changes in accounting estimates
 - Disclosure
- Errors
 - Limitations on retrospective restatement
 - Disclosure of prior period errors
- Impracticability in respect of retrospective application and retrospective restatement
- Effective date
- Withdrawal of other pronouncements
- Appendix:
 - Amendments to other pronouncements

Last changed January 2005

Interpretations IAS 8(2003) supersedes SIC 2 Consistency – Capitalisation of Borrowing Costs

IAS 8(2003) supersedes SIC 18 Consistency – Alternative Methods

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.18 shows an introductory fragment of XBRL tagging related to this Standard.

```
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_DateByWhichApplicationOfIFRSIsRequired" xlink:type="locator"
  xlink:label="loc_8"/>
<link:definitionArc xlink:type="arc" order="30.0" xlink:to="loc_8" xlink:from="loc_5"
```

FIGURE 4.18 Fragment of XBRL tagging related to IAS 8.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 10 Events After the Balance Sheet Date

Objective The objective of this Standard is to prescribe:

- (a) when an entity should adjust its financial statements for events after the reporting period;
- (b) the disclosures that an entity should give about the date when the financial statements were authorised for issue and about events after the reporting period.

The Standard also requires that an entity should not prepare its financial statements on a going concern basis if events after the reporting period indicate that the going concern assumption is not appropriate.

Scope This Standard shall be applied in the accounting for, and disclosure of, events after the reporting period.

Summary In addition to the objective, scope and related introduction, a summary of IAS 10 appears below:

- Definitions
- Recognition and measurement
 - Adjusting events after the reporting period
 - Non-adjusting events after the reporting period
 - Dividends
- Going concern
- Disclosure
 - Date of authorisation for issue
 - Updating disclosure about conditions at the end of the reporting period
 - Non-adjusting events after the reporting period
- Effective date
- Withdrawal of IAS 10 (revised 1999)
- Appendix:
 - Amendments to other pronouncements

Last changed September 2007

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.19 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../ifrs-cor_2011-03-25.xsd#ifrs_DestructionOfMajorProductionPlantMember" xlink:type="locator"
xlink:label="loc_12"/>
<link:definitionArc xlink:type="arc" order="80.0" xlink:to="loc_12" xlink:from="loc_5"
```

FIGURE 4.19 Fragment of XBRL tagging related to IAS 10

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 11 Construction Contracts

Objective The objective of this Standard is to prescribe the accounting treatment of revenue and costs associated with construction contracts. Because of the nature of the activity undertaken in construction contracts, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods. Therefore, the primary issue in accounting for construction contracts is the allocation of contract revenue and contract costs to the accounting periods in which construction work is performed. This Standard uses the recognition criteria established in the Framework for the Preparation and Presentation of Financial Statements to determine when contract revenue and contract costs should be recognised as revenue and expenses in the statement of comprehensive income. It also provides practical guidance on the application of these criteria.

Scope This Standard shall be applied in accounting for construction contracts in the financial statements of contractors.

This Standard supersedes IAS 11 *Accounting for Construction Contracts*, approved in 1978.

Summary In addition to the objective, scope and related introduction, a summary of IAS 11 appears below:

- Definitions
- Combining and segmenting construction contracts
- Contract revenue
- Contract costs
- Recognition of contract revenue and expenses
- Recognition of expected losses
- Changes in estimates
- Disclosure
- Effective date

Last changed January 1995

Interpretations IFRIC 15 Agreements for the Construction of Real Estate
IFRIC 12 Service Concession Arrangements

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.20 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../ifrs-cor_2011-03-25.xsd#ifrs_AdvancesReceivedForContractsInProgress" xlink:type="locator"
xlink:label="loc_3"/>
<link:presentation:arc xlink:type="arc" order="50.0" xlink:to="loc_3" xlink:from="loc"
```

FIGURE 4.20 Fragment of XBRL tagging related to IAS 11.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 12 Income Taxes

Objective The objective of this Standard is to prescribe the accounting treatment for income taxes. The principal issue in accounting for income taxes is how to account for the current and future tax consequences of:

- (a) the future recovery (settlement) of the carrying amount of assets (liabilities) that are recognised in an entity's statement of financial position;
- (b) transactions and other events of the current period that are recognised in an entity's financial statements.

It is inherent in the recognition of an asset or liability that the reporting entity expects to recover or settle the carrying amount of that asset or liability. If it is probable that recovery or settlement of that carrying amount will make future tax payments larger (smaller) than they would be if such recovery or settlement were to have no tax consequences, this Standard requires an entity to recognise a deferred tax liability (deferred tax asset), with certain limited exceptions.

This Standard requires an entity to account for the tax consequences of transactions and other events in the same way that it accounts for the transactions and other events themselves. Thus, for transactions and other events recognised in profit or loss, any related tax effects are also recognised in profit or loss. For transactions and other events recognised outside profit or loss (either in other comprehensive income or directly in equity), any related tax effects are also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively). Similarly, the recognition of deferred tax assets and liabilities in a business combination affects the amount of goodwill arising in that business combination or the amount of the bargain purchase gain recognised.

This Standard also deals with the recognition of deferred tax assets arising from unused tax losses or unused tax credits, the presentation of income taxes in the financial statements and the disclosure of information relating to income taxes.

Scope This Standard shall be applied in accounting for income taxes.

For the purposes of this Standard, income taxes include all domestic and foreign taxes which are based on taxable profits. Income taxes also include taxes, such as withholding taxes, which are payable by a subsidiary, associate or joint venture on distributions to the reporting entity.

This Standard does not deal with the methods of accounting for government grants (see IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*) or investment tax credits. However, it does deal with the accounting for temporary differences that may arise from such grants or investment tax credits.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 9 appears below:

- Definitions
 - Tax base
- Recognition of current tax liabilities and current tax assets
- Recognition of deferred tax liabilities and deferred tax assets
 - Taxable temporary differences
 - Business combinations
 - Assets carried at fair value
 - Goodwill
 - Initial recognition of an asset or liability
 - Deductible temporary differences
 - Goodwill
 - Initial recognition of an asset or liability
 - Unused tax losses and unused tax credits
 - Reassessment of unrecognised deferred tax assets
 - Investments in subsidiaries, branches and associates and interests in joint ventures
- Measurement
- Recognition of current and deferred tax
 - Items recognised in profit or loss
 - Items recognised outside profit or loss
 - Deferred tax arising from a business combination
 - Current and deferred tax arising from share-based payment transactions
- Presentation
 - Tax assets and tax liabilities
 - Offset
 - Tax expense
 - Tax expense (income) related to profit or loss from ordinary activities
 - Exchange differences on deferred foreign tax liabilities or assets
- Disclosure
- Effective date

Last changed December 2010

Interpretations SIC 21 Income Taxes – Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.21 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href=" ../ifrs-cor_2011-03-25.xsd#ifrs_TaxExpenseIncomeAtApplicableTaxRate" xlink:type="locator"
  xlink:label="loc_8"/>
<link:calculationArc xlink:type="arc" weight="1" order="10.0" xlink:to="loc_8" xlink:from="loc_2"
```

FIGURE 4.21 Fragment of XBRL tagging related to IAS 12.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III, XBRL – Using Technology to Implement Standards.

IAS 16 Property, Plant, and Equipment

Objective The objective of this Standard is to prescribe the accounting treatment for property, plant and equipment so that users of the financial statements can discern information about an entity's investment in its property, plant and equipment and the changes in such investment. The principal issues in accounting for property, plant and equipment are the recognition of the assets, the determination of their carrying amounts and the depreciation charges and impairment losses to be recognised in relation to them.

Scope This Standard shall be applied in accounting for property, plant and equipment except when another Standard requires or permits a different accounting treatment.

This Standard does not apply to:

- property, plant and equipment classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*;
- biological assets related to agricultural activity (see IAS 41 *Agriculture*);

- (c) the recognition and measurement of exploration and evaluation assets (see IFRS 6 *Exploration for and Evaluation of Mineral Resources*); or
- (d) mineral rights and mineral reserves such as oil, natural gas and similar non-regenerative resources.

However, this Standard applies to property, plant and equipment used to develop or maintain the assets described in (b) – (d).

Other Standards may require recognition of an item of property, plant and equipment based on an approach different from that in this Standard. For example, IAS 17 *Leases* requires an entity to evaluate its recognition of an item of leased property, plant and equipment on the basis of the transfer of risks and rewards. However, in such cases other aspects of the accounting treatment for these assets, including depreciation, are prescribed by this Standard.

An entity using the cost model for investment property in accordance with IAS 40 *Investment Property* shall use the cost model in this Standard.

Summary In addition to the objective, scope and related introduction, a summary of IAS 16 appears below:

- Definitions
- Recognition
 - Initial costs
 - Subsequent costs
- Measurement at recognition
 - Elements of cost
 - Measurement of cost
- Measurement after recognition
 - Cost model
 - Revaluation model
 - Depreciation
 - Depreciable amount and depreciation period
 - Depreciation method
 - Impairment
 - Compensation for impairment
- Derecognition
- Disclosure
- Transitional provisions
- Effective date
- Withdrawal of other pronouncements

- Appendix:
 - Amendments to other pronouncements

Last changed January 2009

Interpretations IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

SIC 6 Costs of Modifying Existing Software

SIC 6 was superseded by and incorporated into IAS 16 (2003).

SIC 14 Property, Plant and Equipment – Compensation for the Impairment or Loss of Items

SIC 14 was superseded by and incorporated into IAS 16 (2003).

SIC 23 Property, Plant and Equipment – Major Inspection or Overhaul Costs

SIC 23 was superseded by and incorporated into IAS 16 (2003)

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.22 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_DepreciationPropertyPlantAndEquipment" xlink:type="locator"
  xlink:label="loc_5"/>
<link:calculationArc xlink:type="arc" weight="-1" order="40.0" xlink:to="loc_5" xlink:from="loc"
```

FIGURE 4.22 Fragment of XBRL tagging related to IAS 16.

Source: www.ifs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 17 Leases

Objective The objective of this Standard is to prescribe, for lessees and lessors, the appropriate accounting policies and disclosure to apply in relation to leases.

Scope This Standard shall be applied in accounting for all leases other than:

- (a) leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources;
- (b) licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights.

However, this Standard shall not be applied as the basis of measurement for:

- (a) property held by lessees that is accounted for as investment property (see IAS 40 *Investment Property*);
- (b) investment property provided by lessors under operating leases (see IAS 40);
- (c) biological assets held by lessees under finance leases (see IAS 41 *Agriculture*); or
- (d) biological assets provided by lessors under operating leases (see IAS 41).

This Standard applies to agreements that transfer the right to use assets even though substantial services by the lessor may be called for in connection with the operation or maintenance of such assets. This Standard does not apply to agreements that are contracts for services that do not transfer the right to use assets from one contracting party to the other.

Summary In addition to the objective, scope and related introduction, a summary of IAS 17 appears next:

- Definitions
- Classification of leases
- Leases in the financial statements of lessees
 - Finance leases
 - Initial recognition
 - Subsequent measurement
 - Disclosures
 - Operating leases
 - Disclosures
- Leases in the financial statements of lessors
 - Finance leases
 - Initial recognition
 - Subsequent measurement

- Disclosures
- Operating leases
 - Disclosures
- Sale and leaseback transactions
- Transitional provisions
- Effective date
- Withdrawal of IAS 17 (revised 1997)
- Appendix:
 - Amendments to other pronouncements

Last changed January 2010

Interpretations IFRIC 4 Determining Whether an Arrangement Contains a Lease

SIC 15 Operating Leases – Incentives

SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.23 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_RecognisedFinanceLeaseAsAssetsGross" xlink:type="locator"
xlink:label="loc_2"/>
<link:calculationArc xlink:type="arc" weight="1" order="10.0" xlink:to="loc_2" xlink:from="loc"
```

FIGURE 4.23 Fragment of XBRL tagging related to IAS 17.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 18 Revenue

Objective Income is defined in the Framework for the Preparation and Presentation of Financial Statements as increases in economic benefits during the

accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants. Income encompasses both revenue and gains. Revenue is income that arises in the course of ordinary activities of an entity and is referred to by a variety of names, including sales, fees, interest, dividends and royalties. The objective of this Standard is to prescribe the accounting treatment of revenue arising from certain types of transactions and events.

The primary issue in accounting for revenue is determining when to recognise revenue. Revenue is recognised when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. This Standard identifies the circumstances in which these criteria will be met and, therefore, revenue will be recognised. It also provides practical guidance on the application of these criteria.

Scope This Standard shall be applied in accounting for revenue arising from the following transactions and events:

- (a) the sale of goods;
- (b) the rendering of services;
- (c) the use by others of entity assets yielding interest, royalties and dividends.

This Standard supersedes IAS 18 *Revenue Recognition*, approved in 1982.

Goods includes goods produced by the entity for the purpose of sale and goods purchased for resale, such as merchandise purchased by a retailer or land and other property held for resale.

The rendering of services typically involves the performance by the entity of a contractually agreed task over an agreed period of time. The services may be rendered within a single period or over more than one period. Some contracts for the rendering of services are directly related to construction contracts, for example those for the services of project managers and architects. Revenue arising from these contracts is covered in this Standard but is dealt with in accordance with the requirements for construction contracts as specified in IAS 11 *Construction Contracts*.

The use by others of entity assets gives rise to revenue in the form of:

- (a) interest – charges for the use of cash or cash equivalents or amounts due to the entity;
- (b) royalties – charges for the use of long-term assets of the entity, for example patents, trademarks, copyrights and computer software;

- (c) dividends – distributions of profits to holders of equity investments in proportion to their holdings of a particular class of capital.

This Standard does not deal with revenue arising from:

- (a) lease agreements (see IAS 17 *Leases*);
- (b) dividends arising from investments which are accounted for under the equity method (see IAS 28 *Investments in Associates*);
- (c) insurance contracts within the scope of IFRS 4 *Insurance Contracts*;
- (d) changes in the fair value of financial assets and financial liabilities or their disposal (see IFRS 9 *Financial Instruments*);
- (e) changes in the value of other current assets;
- (f) initial recognition and from changes in the fair value of biological assets related to agricultural activity (see IAS 41 *Agriculture*);
- (g) initial recognition of agricultural produce (see IAS 41);
- (h) the extraction of mineral ores.

Summary In addition to the objective, scope and related introduction, a summary of IAS 18 appears below:

- Definitions
- Measurement of revenue
- Identification of the transaction
- Sale of goods
- Rendering of services
- Interest, royalties and dividends
- Disclosure
- Effective date

Last changed April 2009

Interpretations IFRIC 18 Transfers of Assets from Customers

IFRIC 15 Agreements for the Construction of Real Estate

IFRIC 13 Customer Loyalty Programmes

IFRIC 12 Service Concession Arrangements

SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease

SIC 31 Revenue – Barter Transactions Involving Advertising Services

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.24 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_DisclosureOfRevenueExplanatory"
  xlink:type="locator" xlink:label="loc"/>
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_DescriptionOfAccountingPolicyForRecognitionOfRevenue"
```

FIGURE 4.24 Fragment of XBRL tagging related to IAS 18.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 19 Employee Benefits

Objective The objective of this Standard is to prescribe the accounting and disclosure for employee benefits. The Standard requires an entity to recognise:

- (a) a liability when an employee has provided service in exchange for employee benefits to be paid in the future;
- (b) an expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.

Scope This Standard shall be applied by an employer in accounting for all employee benefits, except those to which IFRS 2 *Share-based Payment* applies.

This Standard does not deal with reporting by employee benefit plans (see IAS 26 *Accounting and Reporting by Retirement Benefit Plans*).

The employee benefits to which this Standard applies include those provided:

- (a) under formal plans or other formal agreements between an entity and individual employees, groups of employees or their representatives;
- (b) under legislative requirements, or through industry arrangements, whereby entities are required to contribute to national, state, industry or other multi-employer plans; or
- (c) by those informal practices that give rise to a constructive obligation. Informal practices give rise to a constructive obligation where the entity

has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

Employee benefits include:

- (a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within 12 months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;
- (b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;
- (c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within 12 months after the end of the period, profit-sharing, bonuses and deferred compensation;
- (d) termination benefits.

Because each category identified in (a) – (d) above has different characteristics, this Standard establishes separate requirements for each category.

Employee benefits include benefits provided to either employees or their dependants and may be settled by payments (or the provision of goods or services) made either directly to the employees, their spouses, children or other dependants, or to others, such as insurance companies.

An employee may provide services to an entity on a full-time, part-time, permanent, casual or temporary basis. For the purpose of this Standard, employees include directors and other management personnel.

Summary In addition to the objective, scope and related introduction, a summary of IAS 19 appears next:

- Definitions
- Short-term employee benefits
 - Recognition and measurement
 - All short-term employee benefits
 - Short-term compensated absences
 - Profit-sharing and bonus plans
 - Disclosure
- Post-employment benefits: distinction between defined contribution plans and defined benefit plans

- Multi-employer plans
- Defined benefit plans that share risks between various entities under common control
- State plans
- Insured benefits
- Post-employment benefits: defined contribution plans
 - Recognition and measurement
 - Disclosure
- Post-employment benefits: defined benefit plans
 - Recognition and measurement
 - Accounting for the constructive obligation
 - Statement of financial position
 - Profit or loss
 - Recognition and measurement: present value of defined benefit obligations and current service cost
 - Actuarial valuation method
 - Attributing benefit to periods of service
 - Actuarial assumptions
 - Actuarial assumptions: discount rate
 - Actuarial assumptions: salaries, benefits and medical costs
 - Actuarial gains and losses
 - Past service cost
 - Recognition and measurement: plan assets
 - Fair value of plan assets
 - Reimbursements
 - Return on plan assets
 - Business combinations
 - Curtailments and settlements
 - Presentation
 - Offset
 - Current/non-current distinction
 - Financial components of post-employment benefit costs
 - Disclosure
- Other long-term employee benefits
 - Recognition and measurement
 - Disclosure
- Termination benefits
 - Recognition
 - Measurement

- Disclosure
- Transitional provisions
- Effective date
- Appendix:
 - Amendments to other standards

Last changed June 2011

Interpretations IFRIC 14: IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.25 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_DefinedBenefitObligationAtPresentValue" xlink:type="locator"
  xlink:label="loc_53"/>
<link:presentationArc xlink:type="arc" order="10.0" xlink:to="loc_53" xlink:from="loc_47">
```

FIGURE 4.25 Fragment of XBRL tagging related to IAS 19.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 20 Accounting for Government Grants and Disclosure of Assistance

Objective The objective of IAS 20 is to prescribe the accounting for, and disclosure of, government grants and other forms of government assistance. Scope IAS 20 applies to all government grants and other forms of government assistance. However, it does not cover government assistance that is provided in the form of benefits in determining taxable income. It does not cover government grants covered by IAS 41 *Agriculture*, either. The benefit of a government loan at a below-market rate of interest is treated as a government grant.

Scope This Standard shall be applied in accounting for, and in the disclosure of, government grants and in the disclosure of other forms of government assistance.

This Standard does not deal with:

- (a) the special problems arising in accounting for government grants in financial statements reflecting the effects of changing prices or in supplementary information of a similar nature;
- (b) government assistance that is provided for an entity in the form of benefits that are available in determining taxable profit or tax loss, or are determined or limited on the basis of income tax liability. Examples of such benefits are income tax holidays, investment tax credits, accelerated depreciation allowances and reduced income tax rates;
- (c) government participation in the ownership of the entity;
- (d) government grants covered by IAS 41 *Agriculture*.

Summary In addition to the objective, scope and related introduction, a summary of IAS 20 appears below:

- Definitions
- Government grants
 - Non-monetary government grants
 - Presentation of grants related to assets
 - Presentation of grants related to income
 - Repayment of government grants
- Government assistance
- Disclosure
- Transitional provisions
- Effective date

Last changed January 2009

Interpretations SIC 10, Government Assistance – No Specific Relation to Operating Activities

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly.

Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.26 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href=" ../ifrs-cor_2011-03-25.xsd#ifrs_ProceedsFromGovernmentGrantsClassifiedAsFinancingActivities"
  xlink:type="locator" xlink:label="loc_6"/>
<link:reference xlink:role="http://www.xbrl.org/2009/role/commonPracticeRef"
```

FIGURE 4.26 Fragment of XBRL tagging related to IAS 20.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 21 Effects of Change in Foreign Exchange Rates

Objective An entity may carry on foreign activities in two ways. It may have transactions in foreign currencies or it may have foreign operations. In addition, an entity may present its financial statements in a foreign currency. The objective of this Standard is to prescribe how to include foreign currency transactions and foreign operations in the financial statements of an entity and how to translate financial statements into a presentation currency.

The principal issues are which exchange rate(s) to use and how to report the effects of changes in exchange rates in the financial statements.

Scope This Standard shall be applied:

- (a) in accounting for transactions and balances in foreign currencies, except for those derivative transactions and balances that are within the scope of IFRS 9 *Financial Instruments*;
- (b) in translating the results and financial position of foreign operations that are included in the financial statements of the entity by consolidation, proportionate consolidation or the equity method;
- (c) in translating an entity's results and financial position into a presentation currency.

IFRS 9 applies to many foreign currency derivatives and, accordingly, these are excluded from the scope of this Standard. However, those foreign currency derivatives that are not within the scope of IFRS 9 (e.g. some foreign

currency derivatives that are embedded in other contracts) are within the scope of this Standard. In addition, this Standard applies when an entity translates amounts relating to derivatives from its functional currency to its presentation currency.

This Standard does not apply to hedge accounting for foreign currency items, including the hedging of a net investment in a foreign operation. IAS 39 applies to hedge accounting.

This Standard applies to the presentation of an entity's financial statements in a foreign currency and sets out requirements for the resulting financial statements to be described as complying with IFRS. For translations of financial information into a foreign currency that do not meet these requirements, this Standard specifies information to be disclosed.

This Standard does not apply to the presentation in a statement of cash flows of the cash flows arising from transactions in a foreign currency, or to the translation of cash flows of a foreign operation (see IAS 7 *Statement of Cash Flows*).

Summary In addition to the objective, scope and related introduction, a summary of IAS 21 appears below:

- Definitions
 - Elaboration on the definitions
 - Functional currency
 - Net investment in a foreign operation
 - Monetary items
- Summary of the approach required by this standard
- Reporting foreign currency transactions in the functional currency
 - Initial recognition
 - Reporting at the ends of subsequent reporting periods
 - Recognition of exchange differences
 - Change in functional currency
- Use of a presentation currency other than the functional currency
 - Translation to the presentation currency
 - Translation of a foreign operation
 - Disposal or partial disposal of a foreign operation
- Tax effects of all exchange differences
- Disclosure
- Effective date and transition
- Withdrawal of other pronouncements

- Appendix:
 - Amendments to other pronouncements

Last changed July 2009

Interpretations IFRIC 16 Hedge of a Net Investment in a Foreign Operation
 SIC 30 Reporting Currency – Translation from Measurement Currency to Presentation Currency

SIC 30 was superseded and incorporated into the 2003 revision of IAS 21.

SIC 19 Reporting Currency – Measurement and Presentation of Financial Statements under IAS 21 and IAS 29

SIC 19 was superseded and incorporated into the 2003 revision of IAS 21.

SIC 11 Foreign Exchange – Capitalisation of Losses Resulting from Severe Currency Devaluations

SIC 11 was superseded and incorporated into the 2003 revision of IAS 21.

SIC 7 Introduction of the Euro

More information on the detailed text of the standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.27 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:type="locator" xlink:label="loc_3" xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_DisclosureOfEffectOfChangesInForeignExchangeRatesExplanatory"/>
<link:reference xlink:role="http://www.xbrl.org/2003/role/disclosureRef"
xlink:type="resource" xlink:label="res_5">
```

FIGURE 4.27 Fragment of XBRL tagging related to IAS 21.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 23 Borrowing Costs

Objective Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognised as an expense.

Scope An entity shall apply this Standard in accounting for borrowing costs. The Standard does not deal with the actual or imputed cost of equity, including preferred capital not classified as a liability.

An entity is not required to apply the Standard to borrowing costs directly attributable to the acquisition, construction or production of:

- (a) a qualifying asset measured at fair value, for example a biological asset; or
- (b) inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis.

Summary In addition to the objective, scope and related introduction, a summary of IAS 23 appears below:

- Definitions
- Recognition
 - Borrowing costs eligible for capitalisation
 - Excess of the carrying amount of the qualifying asset over recoverable amount
 - Commencement of capitalisation
 - Suspension of capitalisation
 - Cessation of capitalisation
- Disclosure
- Transitional provisions
- Effective date
- Withdrawal of IAS 23 (revised 1993)
- Appendix:
 - Amendments to other pronouncements

Last changed January 2009

Interpretations SIC 2 Consistency – Capitalisation of Borrowing Costs

SIC 2 was superseded by and incorporated into IAS 8 in December 2003.

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data

partners perfectly with IFRSs. Figure 4.28 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_DisclosureOfBorrowingCostsExplanatory" xlink:type="locator"
xlink:label="loc"/>
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_BorrowingCostsCapitalised"
```

FIGURE 4.28 Fragment of XBRL tagging related to IAS 23.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 24 Related Party Disclosures

Objective The objective of this Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

Scope This Standard shall be applied in:

- (a) identifying related party relationships and transactions;
- (b) identifying outstanding balances, including commitments, between an entity and its related parties;
- (c) identifying the circumstances in which disclosure of the items in (a) and (b) is required;
- (d) determining the disclosures to be made about those items.

This Standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of a parent, venturer or investor presented in accordance with IAS 27 *Consolidated and Separate Financial Statements*. This Standard also applies to individual financial statements.

Related party transactions and outstanding balances with other entities in a group are disclosed in an entity's financial statements. Intra-group related

party transactions and outstanding balances are eliminated in the preparation of consolidated financial statements of the group.

Summary In addition to the objective, scope and related introduction, a summary of IAS 24 appears below:

- Purpose of related party disclosures
- Definitions
- Disclosures
 - All entities
 - Government-related entities
- Effective date and transition
- Withdrawal of IAS 24 (2003)
- Appendix:
 - Amendment to IFRS 8 *Operating Segments*

Last changed January 2011

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.29 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href=" ../ifrs-cor_2011-03-25.xsd#ifrs_DisclosureOfTransactionsBetweenRelatedPartiesTable" xlink:type="locator"
  xlink:label="loc_2"/>
<link:definitionArc xlink:type="arc" xbrldt:contextElement="scenario" xbrldt:closed="true"
```

FIGURE 4.29 Fragment of XBRL tagging related to IAS 24.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 26 Accounting and Reporting by Retirement Benefit Plans

Objective The objective of IAS 26 is to specify measurement and disclosure principles for the reports of retirement benefit plans. All plans should include in their reports a statement of changes in net assets available for benefits, a summary of significant accounting policies, and a description of the plan and the effect of any changes in the plan during the period.

Scope This Standard shall be applied in the financial statements of retirement benefit plans where such financial statements are prepared.

Retirement benefit plans are sometimes referred to by various other names, such as 'pension schemes', 'superannuation schemes' or 'retirement benefit schemes'. This Standard regards a retirement benefit plan as a reporting entity separate from the employers of the participants in the plan. All other Standards apply to the financial statements of retirement benefit plans to the extent that they are not superseded by this Standard.

This Standard deals with accounting and reporting by the plan to all participants as a group. It does not deal with reports to individual participants about their retirement benefit rights.

IAS 19 *Employee Benefits* is concerned with the determination of the cost of retirement benefits in the financial statements of employers having plans. Hence this Standard complements IAS 19.

Retirement benefit plans may be defined contribution plans or defined benefit plans. Many require the creation of separate funds, which may or may not have separate legal identity and may or may not have trustees, to which contributions are made and from which retirement benefits are paid. This Standard applies regardless of whether such a fund is created and regardless of whether there are trustees.

Retirement benefit plans with assets invested with insurance companies are subject to the same accounting and funding requirements as privately invested arrangements. Accordingly, they are within the scope of this Standard unless the contract with the insurance company is in the name of a specified participant or a group of participants and the retirement benefit obligation is solely the responsibility of the insurance company.

This Standard does not deal with other forms of employment benefits such as employment termination indemnities, deferred compensation arrangements, long-service leave benefits, special early retirement or redundancy plans, health and welfare plans or bonus plans. Government social security type arrangements are also excluded from the scope of this Standard.

Summary In addition to the objective, scope and related introduction, a summary of IAS 26 appears below:

- Definitions
- Defined contribution plans
- Defined benefit plans
 - Actuarial present value of promised retirement benefits
 - Frequency of actuarial valuations
 - Financial statement content
- All plans
 - Valuation of plan assets
 - Disclosure
- Effective date

Last changed 1994

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.30 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_IncreaseDecreaseInNetAssetsAvailableForBenefits" xlink:type="locator"
  xlink:label="loc"/>
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_EmployerContributions"
```

FIGURE 4.30 Fragment of XBRL tagging related to IAS 26.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 27 Consolidated and Separate Financial Statements

Objective IAS 27 has the twin objectives of setting standards to be applied in the preparation and presentation of consolidated financial statements for a

group of entities under the control of a parent, and in accounting for investments in subsidiaries, jointly controlled entities, and associates when an entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements.

Scope This Standard shall be applied in the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent.

This Standard does not deal with methods of accounting for business combinations and their effects on consolidation, including goodwill arising on a business combination (see IFRS 3 *Business Combinations*).

This Standard shall also be applied in accounting for investments in subsidiaries, jointly controlled entities and associates when an entity elects, or is required by local regulations, to present separate financial statements.

Summary In addition to the objective, scope and related introduction, a summary of IAS 27 appears below:

- Definitions
- Presentation of consolidated financial statements
- Scope of consolidated financial statements
- Consolidation procedures
- Loss of control
- Accounting for investments in subsidiaries, jointly controlled entities and associates in separate financial statements
- Disclosure
- Effective date and transition
- Withdrawal of IAS 27 (2003)
- Appendix:
 - Amendments to other IFRS

Last changed July 2010

Interpretations IFRIC 17 Distributions of Non-cash Assets to Owners

SIC 12, Consolidation – Special Purpose Entities

IAS 27 (revised 2003) supersedes SIC 33, Consolidation and Equity Method – Potential Voting Rights and Allocation of Ownership Interest

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.31 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:type="locator" xlink:label="loc_11" xlink:href="../../ifrs-cor_2011-03-25.xsd#ifrs_ConsolidatedAndSeparateFinancialStatementsAxis"/>
<link:reference xlink:role="http://www.xbrl.org/2003/role/disclosureRef"
xlink:type="resource" xlink:label="res_12">
```

FIGURE 4.31 Fragment of XBRL tagging related to IAS 27.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 28 Investments in Associates

Objective For IAS 28 the main objective was to reduce alternatives in the application of the equity method and in accounting for investments in associates in separate financial statements.

Scope This Standard shall be applied in accounting for investments in associates. However, it does not apply to investments in associates held by:

- (a) venture capital organisations; or
- (b) mutual funds, unit trusts and similar entities, including investment-linked insurance funds that are measured at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*. An entity shall measure such investments at fair value through profit or loss in accordance with IFRS 9.

Summary In addition to the objective, scope and related introduction, a summary of IFRS 9 appears next:

- Definitions
 - Significant influence
 - Equity method
- Application of the equity method

- Impairment losses
- Separate financial statements
- Disclosure
- Effective date and transition
- Withdrawal of other pronouncements
- Appendix:
 - Amendments to other pronouncements

Last changed July 2009

Interpretations IAS 28 (2003) superseded SIC 3 Elimination of Unrealised Profits and Losses on Transactions with Associates

IAS 28 (2003) superseded SIC 20 Equity Accounting Method – Recognition of Losses

IAS 28 (2003) superseded SIC 33 Consolidation and Equity Method – Potential Voting Rights and Allocation of Ownership Interest

More information on the detailed text of the standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.32 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_Associates,NotAccountedForUsingEquityMethodMember" xlink:type="locator"
  xlink:label="loc_15"/>
<link:presentationArc xlink:type="arc" order="10.0" xlink:to="loc_15" xlink:from="loc_14"
```

FIGURE 4.32 Fragment of XBRL tagging related to IAS 28.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 29 Financial Reporting in Hyperinflationary Economies

Objective The objective of IAS 29 is to establish specific standards for entities reporting in the currency of a hyperinflationary economy so that the financial information provided is meaningful.

Scope This Standard shall be applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

In a hyperinflationary economy, reporting of operating results and financial position in the local currency without restatement is not useful. Money loses purchasing power at such a rate that comparison of amounts from transactions and other events that have occurred at different times, even within the same accounting period, is misleading.

This Standard does not establish an absolute rate at which hyperinflation is deemed to arise. It is a matter of judgement when restatement of financial statements in accordance with this Standard becomes necessary. Hyperinflation is indicated by characteristics of the economic environment of a country, which include, but are not limited to, the following:

- (a) the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power;
- (b) the general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency;
- (c) sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
- (d) interest rates, wages and prices are linked to a price index;
- (e) the cumulative inflation rate over three years is approaching, or exceeds, 100 per cent.

It is preferable that all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Nevertheless, this Standard applies to the financial statements of any entity from the beginning of the reporting period in which it identifies the existence of hyperinflation in the country in whose currency it reports.

Summary In addition to the objective, scope and related introduction, a summary of IAS 29 appears next:

- The restatement of financial statements
 - Historical cost financial statements
 - Statement of financial position

- Statement of comprehensive income
- Gain or loss on net monetary position
- Current cost financial statements
 - Statement of financial position
 - Statement of comprehensive income
 - Gain or loss on net monetary position
- Taxes
- Statement of cash flows
- Corresponding figures
- Consolidated financial statements
 - Selection and use of the general price index
- Economies ceasing to be hyperinflationary
- Disclosures
- Effective date

Last changed January 2009

Interpretations IAS 21 has superseded SIC 19 Reporting Currency – Measurement and Presentation of Financial Statements under IAS 21 and IAS 29

IAS 21 has superseded SIC 30 Reporting Currency – Translation from Measurement Currency to Presentation Currency

IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.33 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:type="locator" xlink:label="loc_3" xlink:href="../../ifrs-cor_2011-03-25.xsd#ifrs_PriceIndexMovements"/>
<link:referenceArc xlink:type="arc" xlink:to="res_5" xlink:from="loc_3"
xlink:arcrole="http://www.xbrl.org/2003/arcrole/concept-reference"/>
```

FIGURE 4.33 Fragment of XBRL tagging related to IAS 29.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 31 *Interest in Joint Ventures*

Objective The objective of this standard is to make the amendments necessary to take account of the extensive changes being made to IAS 27 *Consolidated Financial Statements and Accounting for Investments in Subsidiaries* and IAS 28 *Accounting for Investments in Associates* as part of the Improvements project.

Scope This Standard shall be applied in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income and expenses in the financial statements of venturers and investors, regardless of the structures or forms under which the joint venture activities take place. However, it does not apply to venturers' interests in jointly controlled entities held by:

- (a) venture capital organisations; or
- (b) mutual funds, unit trusts and similar entities, including investment-linked insurance funds that are measured at fair value through profit or loss in accordance with IFRS 9 *Financial Instruments*. An entity shall measure such investments at fair value through profit or loss in accordance with IFRS 9.

A venturer with an interest in a jointly controlled entity is exempted from paragraphs 30 (proportionate consolidation) and 38 (equity method) when it meets the following conditions:

- (a) the interest is classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*;
- (b) the exception in IAS 27 *Consolidated and Separate Financial Statements* allowing a parent that also has an interest in a jointly controlled entity not to present consolidated financial statements is applicable; or
- (c) all of the following apply:
 - (i) the venturer is a wholly owned subsidiary, or is a partially owned subsidiary of another entity and its owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the venturer not applying proportionate consolidation or the equity method;
 - (ii) the venturer's debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);

- (iii) the venturer did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation, for the purpose of issuing any class of instruments in a public market;
- (iv) the ultimate or any intermediate parent of the venturer produces consolidated financial statements available for public use that comply with IFRS.

Summary In addition to the objective, scope and related introduction, a summary of IAS 31 appears below:

- Definitions
 - Forms of joint venture
 - Joint control
 - Contractual arrangement
- Jointly controlled operations
- Jointly controlled assets
- Jointly controlled entities
 - Financial statements of a venturer
 - Proportionate consolidation
 - Equity method
 - Exceptions to proportionate consolidation and equity method
 - Separate financial statements of a venturer
- Transactions between a venturer and a joint venture
- Reporting interests in joint ventures in the financial statements of an investor
- Operators of joint ventures
- Disclosure
- Effective date and transition
- Withdrawal of IAS 31 (revised 2000)
- Appendix:
 - Amendments to other pronouncements

Last changed July 2009

Interpretations SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.34 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:type="locator" xlink:label="loc_2" xlink:href="../../ifrs-cor_2011-03-25.xsd#ifrs_ProportionOfOwnershipInterestInJointlyControlledEntity"/>
<link:referenceArc xlink:type="arc" xlink:to="res_4" xlink:from="loc_2"
xlink:arcrole="http://www.xbrl.org/2003/arcrole/concept-reference"/>
```

FIGURE 4.34 Fragment of XBRL tagging related to IAS 31.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 32 *Financial Instruments Presentation*

Objective The objective of this Standard is to establish principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

The principles in this Standard complement the principles for recognising and measuring financial assets and financial liabilities in IFRS 9 *Financial Instruments*, and for disclosing information about them in IFRS 7 *Financial Instruments: Disclosures*.

Scope This Standard shall be applied by all entities to all types of financial instruments except:

- (a) those interests in subsidiaries, associates or joint ventures that are accounted for in accordance with IAS 27 *Consolidated and Separate Financial Statements*, IAS 28 *Investments in Associates* or IAS 31 *Interests in Joint Ventures*. However, in some cases, IAS 27, IAS 28 or IAS 31 permit an entity to account for an interest in a subsidiary, associate or joint venture using IFRS 9; in those cases, entities shall apply the requirements of this

- Standard. Entities shall also apply this Standard to all derivatives linked to interests in subsidiaries, associates or joint ventures;
- (b) employers' rights and obligations under employee benefit plans, to which IAS 19 *Employee Benefits* applies;
 - (c) insurance contracts as defined in IFRS 4 *Insurance Contracts*. However, this Standard applies to derivatives that are embedded in insurance contracts if IFRS 9 requires the entity to account for them separately. Moreover, an issuer shall apply this Standard to financial guarantee contracts if the issuer applies IFRS 9 in recognising and measuring the contracts, but shall apply IFRS 4 if the issuer elects to apply IFRS 4 in recognising and measuring them;
 - (d) financial instruments that are within the scope of IFRS 4 because they contain a discretionary participation feature. However, these instruments are subject to all other requirements of this Standard. Furthermore, this Standard applies to derivatives that are embedded in these instruments (see IFRS 9);
 - (e) financial instruments, contracts and obligations under share-based payment transactions to which IFRS 2 *Share-based Payment* applies, except for:
 - (i) contracts within the scope of this Standard, to which this Standard applies;
 - (ii) paragraphs of this Standard, which shall be applied to treasury shares purchased, sold, issued or cancelled in connection with employee share option plans, employee share purchase plans, and all other share-based payment arrangements.

This Standard shall be applied to those contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

There are various ways in which a contract to buy or sell a non-financial item can be settled net in cash or another financial instrument or by exchanging financial instruments. These include:

- (a) when the terms of the contract permit either party to settle it net in cash or another financial instrument or by exchanging financial instruments;
- (b) when the ability to settle net in cash or another financial instrument, or by exchanging financial instruments, is not explicit in the terms of the

- contract, but the entity has a practice of settling similar contracts net in cash or another financial instrument, or by exchanging financial instruments (whether with the counterparty, by entering into offsetting contracts or by selling the contract before its exercise or lapse);
- (c) when, for similar contracts, the entity has a practice of taking delivery of the underlying and selling it within a short period after delivery for the purpose of generating a profit from short-term fluctuations in price or dealer's margin;
- (d) when the non-financial item that is the subject of the contract is readily convertible to cash.

A contract to which (b) or (c) applies is not entered into for the purpose of the receipt or delivery of the non-financial item in accordance with the entity's expected purchase, sale or usage requirements, and, accordingly, is within the scope of this Standard. Other contracts to which the preceding paragraph applies are evaluated to determine whether they were entered into and continue to be held for the purpose of the receipt or delivery of the non-financial item in accordance with the entity's expected purchase, sale or usage requirement, and accordingly, whether they are within the scope of this Standard.

A written option to buy or sell a non-financial item that can be settled net in cash or another financial instrument or by exchanging financial instruments, in accordance with (a) or (d) of the preceding paragraph is within the scope of this Standard. Such a contract cannot be entered into for the purpose of the receipt or delivery of the non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Summary In addition to the objective, scope and related introduction, a summary of IAS 32 appears next:

- Definitions
- Presentation
 - Liabilities and equity
 - Puttable instruments
 - Instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation
 - Reclassification of puttable instruments and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation

- No contractual obligation to deliver cash or another financial asset
- Settlement in the entity's own equity instruments
- Contingent settlement provisions
- Settlement options
- Compound financial instruments
- Treasury shares
- Interest, dividends, losses and gains
- Offsetting a financial asset and a financial liability
- Effective date and transition
- Withdrawal of other pronouncements
- Appendix
 - Application guidance
- Definitions
 - Financial assets and financial liabilities
 - Equity instruments
 - The class of instruments that is subordinate to all other classes
 - Total expected cash flows attributed to the instrument over the life of the instrument
 - Transactions entered into by an instrument holder other than as owner of the entity
 - No other financial instrument or contract with total cash flows that substantially fixes or restricts the residual return to the instrument holder
 - Derivative financial instruments
 - Contracts to buy or sell non-financial items
- Presentation:
 - Liabilities and equity
 - No contractual obligation to deliver cash or another financial asset
 - Settlement in the entity's own equity instruments
 - Contingent settlement provisions
 - Treatment in consolidated financial statements
 - Compound financial instruments
 - Treasury shares
 - Interest, dividends, losses and gains
 - Offsetting a financial asset and a financial liability

Last changed December 2011

Interpretations IAS 32 (2003) superseded SIC 5 Classification of Financial Instruments – Contingent Settlement Provisions

IAS 32 (2003) superseded SIC 16 Share Capital – Reacquired Own Equity Instruments (Treasury Shares)

IAS 32 (2003) superseded SIC 17 Equity – Costs of an Equity Transaction
IFRIC 2 Members' Shares in Co-operative Entities and Similar Instruments

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs.

Please note that, currently, no XBRL tagging is related directly to this standard.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 33 Earnings per Share

Objective The objective of this Standard is to prescribe principles for the determination and presentation of earnings per share, so as to improve performance comparisons between different entities in the same reporting period and between different reporting periods for the same entity. Even though earnings per share data have limitations because of the different accounting policies that may be used for determining 'earnings', a consistently determined denominator enhances financial reporting. The focus of this Standard is on the denominator of the earnings per share calculation.

Scope This Standard shall apply to:

- (a) the separate or individual financial statements of an entity:
 - (i) whose ordinary shares or potential ordinary shares are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or
 - (ii) that files, or is in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing ordinary shares in a public market;

- (b) the consolidated financial statements of a group with a parent:
- (i) whose ordinary shares or potential ordinary shares are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or
 - (ii) that files, or is in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing ordinary shares in a public market.

An entity that discloses earnings per share shall calculate and disclose earnings per share in accordance with this Standard.

When an entity presents both consolidated financial statements and separate financial statements prepared in accordance with IAS 27 *Consolidated and Separate Financial Statements*, the disclosures required by this Standard need be presented only on the basis of the consolidated information. An entity that chooses to disclose earnings per share based on its separate financial statements shall present such earnings per share information only in its statement of comprehensive income. An entity shall not present such earnings per share information in the consolidated financial statements.

If an entity presents the components of profit or loss in a separate income statement as described in IAS 1 *Presentation of Financial Statements* (as revised in 2007), it presents earnings per share only in that separate statement.

Summary In addition to the objective, scope and related introduction, a summary of IAS 33 appears next:

- Definitions
- Measurement
 - Basic earnings per share
 - Earnings
 - Shares
 - Diluted earnings per share
 - Earnings
 - Shares
 - Dilutive potential ordinary shares
 - Options, warrants and their equivalents
 - Convertible instruments
 - Contingently issuable shares
 - Contracts that may be settled in ordinary shares or cash

Purchased options
Written put options

- Retrospective adjustments
- Presentation
- Disclosure
- Effective date
- Withdrawal of other pronouncements
- Appendices:
 - A Application guidance
 - B Amendments to other pronouncements

Last changed January 2009

Interpretations IAS 33 (2003) superseded SIC 24 Earnings Per Share – Financial Instruments and Other Contracts that May Be Settled in Shares

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.35 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../../ifrs-coi_2011-03-25.xsd#ifrs_BasicEarningsLossPerShareFromContinuingOperations" xlink:type="locator"
  xlink:label="loc_2"/>
<link:calculationArc xlink:type="arc" weight="1" order="10.0" xlink:to="loc_2" xlink:from="loc"
```

FIGURE 4.35 Fragment of XBRL tagging related to IAS 33.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 34 Interim Financial Reporting

Objective The objective of this Standard is to prescribe the minimum content of an interim financial report and to prescribe the principles for recognition and measurement in complete or condensed financial statements for an interim period. Timely and reliable interim financial reporting improves the ability of

investors, creditors and others to understand an entity's capacity to generate earnings and cash flows and its financial condition and liquidity.

Scope This Standard does not mandate which entities should be required to publish interim financial reports, how frequently, or how soon after the end of an interim period. However, governments, securities regulators, stock exchanges and accountancy bodies often require entities whose debt or equity securities are publicly traded to publish interim financial reports. This Standard applies if an entity is required or elects to publish an interim financial report in accordance with IFRS. The International Accounting Standards Committee encourages publicly traded entities to provide interim financial reports that conform to the recognition, measurement and disclosure principles set out in this Standard. Specifically, publicly traded entities are encouraged:

- (a) to provide interim financial reports at least as of the end of the first half of their financial year;
- (b) to make their interim financial reports available not later than 60 days after the end of the interim period.

Each financial report, annual or interim, is evaluated on its own for conformity to IFRS. The fact that an entity may not have provided interim financial reports during a particular financial year or may have provided interim financial reports that do not comply with this Standard does not prevent the entity's annual financial statements from conforming to IFRS if they otherwise do so.

If an entity's interim financial report is described as complying with IFRS, it must comply with all of the requirements of this Standard. Paragraph 19 requires certain disclosures in that regard.

Summary In addition to the objective, scope and related introduction, a summary of IAS 34 appears next:

- Definitions
- Content of an interim financial report
 - Minimum components of an interim financial report
 - Form and content of interim financial statements
 - Significant events and transactions
 - Other disclosures
 - Disclosure of compliance with IFRS

- Periods for which interim financial statements are required to be presented
- Materiality
- Disclosure in annual financial statements
- Recognition and measurement
 - Same accounting policies as annual
 - Revenues received seasonally, cyclically or occasionally
 - Costs incurred unevenly during the financial year
 - Applying the recognition and measurement principles
 - Use of estimates
- Restatement of previously reported interim periods
- Effective date

Last changed January 2011

Interpretations IFRIC 10 Interim Financial Reporting and Impairment

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.36 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="..../ifrs-cor_2011-03-25.xsd#ifrs_ExplanationOfSeasonalityOrCyclicalityOfInterimOperations"
  xlink:type="locator" xlink:label="loc_5"/>
<link:presentation arc xlink:type="arc" order="30.0" xlink:to="loc_5" xlink:from="loc"
```

FIGURE 4.36 Fragment of XBRL tagging related to IAS 34.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 36 Impairment of Assets

Objective The objective of this Standard is to prescribe the procedures that an entity applies to ensure that its assets are carried at no more than their

recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and the Standard requires the entity to recognise an impairment loss. The Standard also specifies when an entity should reverse an impairment loss and prescribes disclosures.

Scope This Standard shall be applied in accounting for the impairment of all assets, other than:

- (a) inventories (see IAS 2 *Inventories*);
- (b) assets arising from construction contracts (see IAS 11 *Construction Contracts*);
- (c) deferred tax assets (see IAS 12 *Income Taxes*);
- (d) assets arising from employee benefits (see IAS 19 *Employee Benefits*);
- (e) financial assets that are within the scope of IFRS 9 *Financial Instruments*;
- (f) investment property that is measured at fair value (see IAS 40 *Investment Property*);
- (g) biological assets related to agricultural activity that are measured at fair value less costs to sell (see IAS 41 *Agriculture*);
- (h) deferred acquisition costs, and intangible assets, arising from an insurer's contractual rights under insurance contracts within the scope of IFRS 4 *Insurance Contracts*;
- (i) non-current assets (or disposal groups) classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

This Standard does not apply to inventories, assets arising from construction contracts, deferred tax assets, assets arising from employee benefits, or assets classified as held for sale (or included in a disposal group that is classified as held for sale) because existing IFRS applicable to these assets contain requirements for recognising and measuring these assets.

This Standard applies to financial assets classified as:

- (a) subsidiaries, as defined in IAS 27 *Consolidated and Separate Financial Statements*;
- (b) associates, as defined in IAS 28 *Investments in Associates*;
- (c) joint ventures, as defined in IAS 31 *Interests in Joint Ventures*.

For impairment of other financial assets, refer to IAS 39.

This Standard does not apply to financial assets within the scope of IFRS 9, investment property measured at fair value in accordance with IAS 40, or biological assets related to agricultural activity measured at fair value less costs to sell in accordance with IAS 41. However, this Standard applies to assets that are carried at re-valued amount (i.e. fair value) in accordance with other IFRS, such as the revaluation model in IAS 16 *Property, Plant and Equipment*. Identifying whether a re-valued asset may be impaired depends on the basis used to determine fair value:

- (a) if the asset's fair value is its market value, the only difference between the asset's fair value and its fair value less costs to sell is the direct incremental costs to dispose of the asset:
 - (i) if the disposal costs are negligible, the recoverable amount of the re-valued asset is necessarily close to, or greater than, its re-valued amount (i.e. fair value). In this case, after the revaluation requirements have been applied, it is unlikely that the re-valued asset is impaired and recoverable amount need not be estimated;
 - (ii) if the disposal costs are not negligible, the fair value less costs to sell of the re-valued asset is necessarily less than its fair value. Therefore the re-valued asset will be impaired if its value in use is less than its re-valued amount (i.e. fair value). In this case, after the re-valuation requirements have been applied, an entity applies this Standard to determine whether the asset may be impaired;
- (b) if the asset's fair value is determined on a basis other than its market value, its re-valued amount (i.e. fair value) may be greater or lower than its recoverable amount. Hence, after the re-valuation requirements have been applied, an entity applies this Standard to determine whether the asset may be impaired.

Summary In addition to the objective, scope and related introduction, a summary of IAS 36 appears next:

- Definitions
- Identifying an asset that may be impaired
- Measuring recoverable amount:
 - Measuring the recoverable amount of an intangible asset with an indefinite useful life
 - Fair value less costs to sell
 - Value in use

- Basis for estimates of future cash flows
- Composition of estimates of future cash flows
- Foreign currency future cash flows
- Discount rate
- Recognising and measuring an impairment loss
- Cash-generating units and goodwill:
 - Identifying the cash-generating unit to which an asset belongs
 - Recoverable amount and carrying amount of a cash-generating unit
 - Goodwill
 - Allocating goodwill to cash-generating units
 - Testing cash-generating units with goodwill for impairment
 - Timing of impairment tests
 - Corporate assets
 - Impairment loss for a cash-generating unit
- Reversing an impairment loss:
 - Reversing an impairment loss for an individual asset
 - Reversing an impairment loss for a cash-generating unit
 - Reversing an impairment loss for goodwill
- Disclosure:
 - Estimates used to measure recoverable amounts of cash-generating units containing goodwill or intangible assets with indefinite useful lives
- Transitional provisions and effective date
- Withdrawal of IAS 36 (issued 1998)
- Appendices:
 - A Using present value techniques to measure value in use
 - B Amendment to IAS 16
 - C Impairment testing cash-generating units with goodwill and non-controlling interests

Last changed January 2010

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data

partners perfectly with IFRSs. Figure 4.37 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href=" ../ifrs-cor_2011-03-25.xsd#ifrs_ImpairmentLossRecognisedInProfitOrLoss" xlink:type="locator"
  xlink:label="loc_5"/>
<link:presentationArc xlink:type="arc" order="10.0" xlink:to="loc_5" xlink:from="loc_57"
```

FIGURE 4.37 Fragment of XBRL tagging related to IAS 36.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Objective The objective of this Standard is to ensure that appropriate recognition criteria and measurement bases are applied to provisions, contingent liabilities and contingent assets and that sufficient information is disclosed in the notes to enable users to understand their nature, timing and amount.

Scope This Standard shall be applied by all entities in accounting for provisions, contingent liabilities and contingent assets, except:

- (a) those resulting from executory contracts, except where the contract is onerous;
- (b) those covered by another Standard.

This Standard does not apply to financial instruments (including guarantees) that are within the scope of IFRS 9 *Financial Instruments*.

Executory contracts are those under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent. This Standard does not apply to executory contracts unless they are onerous.

When another Standard deals with a specific type of provision, contingent liability or contingent asset, an entity applies that Standard instead of this Standard. For example, some types of provisions are addressed in Standards on:

- (a) construction contracts (see IAS 11 *Construction Contracts*);
- (b) income taxes (see IAS 12 *Income Taxes*);

- (c) leases (see IAS 17 *Leases*). However, as IAS 17 contains no specific requirements to deal with operating leases that have become onerous, this Standard applies to such cases;
- (d) employee benefits (see IAS 19 *Employee Benefits*);
- (e) insurance contracts (see IFRS 4 *Insurance Contracts*). However, this Standard applies to provisions, contingent liabilities and contingent assets of an insurer, other than those arising from its contractual obligations and rights under insurance contracts within the scope of IFRS 4.

Some amounts treated as provisions may relate to the recognition of revenue, for example where an entity gives guarantees in exchange for a fee. This Standard does not address the recognition of revenue. IAS 18 *Revenue* identifies the circumstances in which revenue is recognised and provides practical guidance on the application of the recognition criteria. This Standard does not change the requirements of IAS 18.

This Standard defines provisions as liabilities of uncertain timing or amount. In some countries the term 'provision' is also used in the context of items such as depreciation, impairment of assets and doubtful debts: these are adjustments to the carrying amounts of assets and are not addressed in this Standard.

Other Standards specify whether expenditures are treated as assets or as expenses. These issues are not addressed in this Standard. Accordingly, this Standard neither prohibits nor requires capitalisation of the costs recognised when a provision is made.

This Standard applies to provisions for restructurings (including discontinued operations). When a restructuring meets the definition of a discontinued operation, additional disclosures may be required by IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Summary In addition to the objective, scope and related introduction, a summary of IAS 37 appears next:

- Definitions
 - Provisions and other liabilities
 - Relationship between provisions and contingent liabilities
- Recognition:
 - Provisions
 - Present obligation
 - Past event

- Probable outflow of resources embodying economic benefits
- Reliable estimate of the obligation
- Contingent liabilities
- Contingent assets
- Measurement:
 - Best estimate
 - Risks and uncertainties
 - Present value
 - Future events
 - Expected disposal of assets
- Reimbursements
- Changes in provisions
- Use of provisions
- Application of the recognition and measurement rules
 - Future operating losses
 - Onerous contracts
 - Restructuring
- Disclosure
- Transitional provisions
- Effective date

Last changed June 2005

Interpretations IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities

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 17 Distributions of Non-cash Assets to Owners

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.38 shows an introductory fragment of XBRL tagging related to this standard.

```
<link:loc xlink:href="../../../ifrs-cor_2011-03-25.xsd#ifrs_DisclosureOfContingentLiabilitiesAbstract" xlink:type="locator"
xlink:label="loc_34"/>
<link:presentationArc xlink:type="arc" order="10.0" xlink:to="loc_34" xlink:from="loc_3"
```

FIGURE 4.38 Fragment of XBRL tagging related to IAS 37.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 38 Intangible Assets

Objective The objective of this Standard is to prescribe the accounting treatment for intangible assets that are not dealt with specifically in another Standard. This Standard requires an entity to recognise an intangible asset if, and only if, specified criteria are met. The Standard also specifies how to measure the carrying amount of intangible assets and requires specified disclosures about intangible assets.

Scope This Standard shall be applied in accounting for intangible assets, except:

- (a) intangible assets that are within the scope of another Standard;
- (b) financial assets, as defined in IAS 32 *Financial Instruments: Presentation*;
- (c) the recognition and measurement of exploration and evaluation assets (see IFRS 6 *Exploration for and Evaluation of Mineral Resources*);
- (d) expenditure on the development and extraction of minerals, oil, natural gas and similar non-regenerative resources.

If another Standard prescribes the accounting for a specific type of intangible asset, an entity applies that Standard instead of this Standard. For example, this Standard does not apply to:

- (a) intangible assets held by an entity for sale in the ordinary course of business (see IAS 2 *Inventories* and IAS 11 *Construction Contracts*);
- (b) deferred tax assets (see IAS 12 *Income Taxes*);
- (c) leases that are within the scope of IAS 17 *Leases*;
- (d) assets arising from employee benefits (see IAS 19 *Employee Benefits*);

- (e) financial assets as defined in IAS 32. The recognition and measurement of some financial assets are covered by IAS 27 *Consolidated and Separate Financial Statements*, IAS 28 *Investments in Associates* and IAS 31 *Interests in Joint Ventures*;
- (f) goodwill acquired in a business combination (see IFRS 3 *Business Combinations*);
- (g) deferred acquisition costs, and intangible assets, arising from an insurer's contractual rights under insurance contracts within the scope of IFRS 4 *Insurance Contracts*. IFRS 4 sets out specific disclosure requirements for those deferred acquisition costs but not for those intangible assets. Therefore the disclosure requirements in this Standard apply to those intangible assets;
- (h) non-current intangible assets classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Some intangible assets may be contained in or on a physical substance such as a compact disc (in the case of computer software), legal documentation (in the case of a licence or patent) or film. In determining whether an asset that incorporates both intangible and tangible elements should be treated under IAS 16 *Property, Plant and Equipment* or as an intangible asset under this Standard, an entity uses judgement to assess which element is more significant. For example, computer software for a computer-controlled machine tool that cannot operate without that specific software is an integral part of the related hardware and it is treated as property, plant and equipment. The same applies to the operating system of a computer. When the software is not an integral part of the related hardware, computer software is treated as an intangible asset.

This Standard applies to, among other things, expenditure on advertising, training, start-up, research and development activities. Research and development activities are directed to the development of knowledge. Therefore, although these activities may result in an asset with physical substance (e.g. a prototype), the physical element of the asset is secondary to its intangible component, that is, the knowledge embodied in it.

In the case of a finance lease, the underlying asset may be either tangible or intangible. After initial recognition, a lessee accounts for an intangible asset held under a finance lease in accordance with this Standard. Rights under licensing agreements for items such as motion picture films, video recordings, plays, manuscripts, patents and copyrights are excluded from the scope of IAS 17 and are within the scope of this Standard.

Exclusions from the scope of a Standard may occur if activities or transactions are so specialised that they give rise to accounting issues that may need to be dealt with in a different way. Such issues arise in the accounting for expenditure on the exploration for, or development and extraction of, oil, gas and mineral deposits in extractive industries and in the case of insurance contracts. Therefore, this Standard does not apply to expenditure on such activities and contracts. However, this Standard applies to other intangible assets used (such as computer software) and other expenditure incurred (such as start-up costs) in extractive industries or by insurers.

Summary In addition to the objective, scope and related introduction, a summary of IAS 38 appears next:

- Definitions
 - Intangible assets
 - Identifiability
 - Control
 - Future economic benefits
- Recognition and measurement
 - Separate acquisition
 - Acquisition as part of a business combination
 - Measuring the fair value of an intangible asset acquired in a business combination
 - Subsequent expenditure on an acquired in-process research and development project
 - Acquisition by way of a government grant
 - Exchanges of assets
 - Internally generated goodwill
 - Internally generated intangible assets
 - Research phase
 - Development phase
 - Cost of an internally generated intangible asset
- Recognition of an expense
 - Past expenses not to be recognised as an asset
- Measurement after recognition
 - Cost model
 - Revaluation model
- Useful life
- Intangible assets with finite useful lives

- Amortisation period and amortisation method
- Residual value
- Review of amortisation period and amortisation method
- Intangible assets with indefinite useful lives
 - Review of useful life assessment
- Recoverability of the carrying amount – impairment
- Losses
- Retirements and disposals
- Disclosure
 - General
 - Intangible assets measured after recognition using the revaluation model
 - Research and development expenditure
 - Other information
- Transitional provisions and effective date
 - Exchanges of similar assets
 - Early application
- Withdrawal of IAS 38 (issued 1998)

Last changed July 2009

Interpretations IFRIC 12 Service Concession Arrangements
 IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
 IAS 16 supersedes SIC 6 Costs of Modifying Existing Software
 SIC 32 Intangible Assets – Website Costs

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRSs.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.39 shows an introductory fragment of XBRL tagging related to this Standard.

```
<link:loc xlink:href="../../ifrs-cor_2011-03-25.xsd#ifrs_AmortisationIntangibleAssetsOtherThanGoodwill" xlink:type="locator"
  xlink:label="loc_5"/>
<link:calculationArc xlink:type="arc" weight="-1" order="40.0" xlink:to="loc_5" xlink:from="loc"
```

FIGURE 4.39 Fragment of XBRL tagging related to IAS 38.

Source: www.iasb.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 39 Financial Instruments: Recognition and Measurement

Objective The objective of this Standard is to establish principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

Scope This Standard shall be applied by all entities to all types of financial instruments except:

- (a) those interests in subsidiaries, associates and joint ventures that are accounted for under IAS 27 *Consolidated and Separate Financial Statements*, IAS 28 *Investments in Associates* or IAS 31 *Interests in Joint Ventures*. However, entities shall apply this Standard to an interest in a subsidiary, associate or joint venture that according to IAS 27, IAS 28 or IAS 31 is accounted for under this Standard. Entities shall also apply this Standard to derivatives on an interest in a subsidiary, associate or joint venture unless the derivative meets the definition of an equity instrument of the entity in IAS 32 *Financial Instruments: Presentation*;
- (b) rights and obligations under leases to which IAS 17 *Leases* applies. However:
 - (i) lease receivables recognised by a lessor are subject to the derecognition and impairment provisions of this Standard;
 - (ii) finance lease payables recognised by a lessee are subject to the derecognition provisions of this Standard;
 - (iii) derivatives that are embedded in leases are subject to the embedded derivatives provisions of this Standard;
- (c) employers' rights and obligations under employee benefit plans, to which IAS 19 *Employee Benefits* applies;
- (d) financial instruments issued by the entity that meet the definition of an equity instrument in IAS 32 (including options and warrants) or that are required to be classified as an equity instrument in accordance with IAS 32. However, the holder of such equity instruments shall apply this Standard to those instruments, unless they meet the exception in (a) above;
- (e) rights and obligations arising under:
 - (i) an insurance contract as defined in IFRS 4 *Insurance Contracts*, other than an issuer's rights and obligations arising under an insurance

contract that meets the definition of a financial guarantee contract in Appendix A of IFRS 9 *Financial Instruments*; or

- (ii) a contract that is within the scope of IFRS 4 because it contains a discretionary participation feature. However, this Standard applies to a derivative that is embedded in a contract within the scope of IFRS 4 if the derivative is not itself a contract within the scope of IFRS 4. Moreover, if an issuer of financial guarantee contracts has previously asserted explicitly that it regards such contracts as insurance contracts and has used accounting applicable to insurance contracts, the issuer may elect to apply either this Standard or IFRS 4 to such financial guarantee contracts. The issuer may make that election contract by contract, but the election for each contract is irrevocable;
- (f) any forward contract between an acquirer and a selling shareholder to buy or sell an acquiree that will result in a business combination at a future acquisition date. The term of the forward contract should not exceed a reasonable period normally necessary to obtain any required approvals and to complete the transaction;
- (g) loan commitments other than those described below. An issuer of loan commitments shall apply IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* to loan commitments that are not within the scope of this Standard. However, all loan commitments are subject to the derecognition provisions of this Standard;
- (h) financial instruments, contracts and obligations under share-based payment transactions to which IFRS 2 *Share-based Payment* applies, except for contracts within the scope of paragraphs 5–7 of this Standard, to which this Standard applies;
- (i) rights to payments to reimburse the entity for expenditure it is required to make to settle a liability that it recognises as a provision in accordance with IAS 37, or for which, in an earlier period, it recognised a provision in accordance with IAS 37.

The following loan commitments are within the scope of this Standard:

- (a) loan commitments that the entity designates as financial liabilities at fair value through profit or loss (see IFRS 9). An entity that has a past practice of selling the assets resulting from its loan commitments shortly after origination shall apply this Standard to all its loan commitments in the same class;
- (b) loan commitments that can be settled net in cash or by delivering or issuing another financial instrument. These loan commitments are derivatives.

A loan commitment is not regarded as settled net merely because the loan is paid out in instalments (for example, a mortgage construction loan that is paid out in instalments in line with the progress of construction);

- (c) commitments to provide a loan at a below-market interest rate (see IFRS 9).

This Standard shall be applied to those contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

There are various ways in which a contract to buy or sell a non-financial item can be settled net in cash or another financial instrument or by exchanging financial instruments. These include:

- (a) when the terms of the contract permit either party to settle it net in cash or another financial instrument or by exchanging financial instruments;
- (b) when the ability to settle net in cash or another financial instrument, or by exchanging financial instruments, is not explicit in the terms of the contract, but the entity has a practice of settling similar contracts net in cash or another financial instrument or by exchanging financial instruments (whether with the counterparty, by entering into offsetting contracts or by selling the contract before its exercise or lapse);
- (c) when, for similar contracts, the entity has a practice of taking delivery of the underlying and selling it within a short period after delivery for the purpose of generating a profit from short-term fluctuations in price or dealer's margin;
- (d) when the non-financial item that is the subject of the contract is readily convertible to cash.

A contract to which (b) or (c) applies is not entered into for the purpose of the receipt or delivery of the non-financial item in accordance with the entity's expected purchase, sale or usage requirements and, accordingly, is within the scope of this Standard. Other contracts to which this applies are evaluated to determine whether they were entered into and continue to be held for the purpose of the receipt or delivery of the non-financial item in accordance with the entity's expected purchase, sale or usage requirements and, accordingly, whether they are within the scope of this Standard.

A written option to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments,

in accordance with (a) or (d) in the preceding paragraph is within the scope of this Standard. Such a contract cannot be entered into for the purpose of the receipt or delivery of the non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

Summary In addition to the objective, scope and related introduction, a summary of IAS 39 appears below:

- Definitions
- Impairment and uncollectibility of financial assets measured at amortised cost
- Hedging
 - Hedging instruments
 - Qualifying instruments
 - Designation of hedging instruments
 - Hedged items
 - Qualifying items
 - Designation of financial items as hedged items
 - Designation of non-financial items as hedged items
 - Designation of groups of items as hedged items
 - Hedge accounting
 - Fair value hedges
 - Cash flow hedges
 - Hedges of a net investment
- Effective date and transition
- Withdrawal of other pronouncements
- Appendix A: Application guidance
 - Scope
 - Definitions
 - Effective interest rate
 - Transaction costs
 - Impairment and uncollectibility of financial assets measured at amortised cost
 - Interest income after impairment recognition
 - Hedging
 - Hedging instruments
 - Qualifying instruments
 - Hedged items
 - Qualifying items

- Designation of financial items as hedged items
- Designation of non-financial items as hedged items
- Designation of groups of items as hedged items
- Hedge accounting
 - Assessing hedge effectiveness
 - Fair value hedge accounting for a portfolio hedge of interest rate risk
- Transition
- Appendix B:
 - Amendments to other pronouncements

Last changed November 2009

Interpretations IFRIC 16 Hedge of a Net Investment in a Foreign Operation
 IFRIC 12 Service Concession Arrangements
 IFRIC 9 Reassessment of Embedded Derivatives
 IAS 39 (2003) superseded SIC 33 Consolidation and Equity Method – Potential Voting Rights and Allocation of Ownership Interest

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs.

Please note that, currently, no XBRL tagging is related directly to this Standard.

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

IAS 40 Investment Property

Objective The objective of this Standard is to prescribe the accounting treatment for investment property and related disclosure requirements.

Scope This Standard shall be applied in the recognition, measurement and disclosure of investment property.

Among other things, this Standard applies to the measurement in a lessee's financial statements of investment property interests held under a lease

accounted for as a finance lease and to the measurement in a lessor's financial statements of investment property provided to a lessee under an operating lease. This Standard does not deal with matters covered in IAS 17 *Leases*, including:

- (a) classification of leases as finance leases or operating leases;
- (b) recognition of lease income from investment property (see also IAS 18 *Revenue*);
- (c) measurement in a lessee's financial statements of property interests held under a lease accounted for as an operating lease;
- (d) measurement in a lessor's financial statements of its net investment in a finance lease;
- (e) accounting for sale and leaseback transactions;
- (f) disclosure about finance leases and operating leases.

This Standard does not apply to:

- (a) biological assets related to agricultural activity (see IAS 41 *Agriculture*);
- (b) mineral rights and mineral reserves such as oil, natural gas and similar non-regenerative resources.

Summary In addition to the objective, scope and related introduction, a summary of IAS 40 appears next:

- Definitions
- Recognition
- Measurement at recognition
- Measurement after recognition
 - Accounting policy
 - Fair value model
 - Inability to determine fair value reliably
 - Cost model
- Transfers
- Disposals
- Disclosure
 - Fair value model and cost model
 - Fair value model
 - Cost model
- Transitional provisions

- (a) land related to agricultural activity (see IAS 16 *Property, Plant and Equipment* and IAS 40 *Investment Property*);
- (b) intangible assets related to agricultural activity (see IAS 38 *Intangible Assets*).

This Standard is applied to agricultural produce, which is the harvested product of the entity's biological assets, only at the point of harvest. Thereafter, IAS 2 *Inventories* or another applicable Standard is applied. Accordingly, this Standard does not deal with the processing of agricultural produce after harvest; for example, the processing of grapes into wine by a vintner who has grown the grapes. While such processing may be a logical and natural extension of agricultural activity, and the events taking place may bear some similarity to biological transformation, such processing is not included within the definition of agricultural activity in this Standard.

Table 4.2 provides examples of biological assets, agricultural produce and products that are the result of processing after harvest.

Summary In addition to the objective, scope and related introduction, a summary of IAS 41 appears below:

- Definitions
 - Agriculture-related definitions
 - General definitions
- Recognition and measurement
 - Gains and losses
 - Inability to measure fair value reliably
- Government grants
- Disclosure
 - General
 - Additional disclosures for biological assets where fair value cannot be measured reliably
 - Government grants
- Effective date and transition

Last changed January 2009

Interpretations None

More information on the detailed text of the Standard is available at www.iasb.org/IFRSs/IFRS.htm.

TABLE 4.2 Accounting standards word count.

Biological assets	Agricultural produce	Products that are the result of processing after harvest
Sheep	Wool	Yarn, carpet
Trees in a plantation forest	Felled trees	Logs, lumber
Plants	Cotton	Thread, clothing
	Harvested cane	Sugar
Dairy cattle	Milk	Cheese
Pigs	Carcass	Sausages, cured hams
Bushes	Leaf	Tea, cured tobacco
Vines	Grapes	Wine
Fruit trees	Picked fruit	Processed fruit

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly. Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.41 shows an introductory fragment of XBRL tagging related to this standard

```
<link:loc xlink:href="../../../ifrs-cor_2011_03-25.xsd#ifrs_DecreaseDueToHarvestBiologicalAssets" xlink:type="locator"
xlink:label="loc_11"/>
<link:calculationArc xlink:type="arc" weight="-1" order="100.0" xlink:to="loc_11" xlink:from="loc
```

FIGURE 4.41 Fragment of XBRL tagging related to IAS 41.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

4.3 IFRS FOR SMALL AND MEDIUM-SIZED ENTERPRISES VERSUS PRIVATE COMPANIES

The IFRS for small and medium-sized enterprises is a self-contained Standard of fewer than 230 pages, designed to meet the needs and capabilities of SMEs, which are estimated to account for the large majority of all entities around the world.

Compared with full IFRS (and many national GAAPs), the IFRS for SMEs is less complex in a number of ways. It is the first set of international accounting requirements developed specifically for SMEs. These standards are based on IFRS. But this is a stand-alone product that is separate from the full set of IFRS. The IFRS for SMEs has simplifications that reflect the needs of users of SMEs' financial statements and cost-benefit considerations. Compared with full IFRS, the simplifications have been achieved in a number of ways; topics not relevant to SMEs are omitted.

Where full IFRS allow accounting policy choices, the IFRS for SMEs allows only the easier option. Many of the principles for recognising and measuring assets, liabilities, income and expenses in full IFRS are simplified. Significantly fewer disclosures are required. And the Standard has been written in clear, easily translatable language.

Translations and XBRL taxonomy are available for IFRS for SMEs. Actually, a reader trying to familiarise themselves with IFRS is encouraged to first look to IFRS for SMEs in order to gain an initial overview and guidance.

Summary More information on the detailed text of the Standard is available at www.ifrs.org/IFRS+for+SMEs/IFRS+for+SMEs.htm.

A summary of IFRS for SMEs appears below. Particularly, the IFRS for SMEs is accompanied by a preface, implementation guidance, a derivation table, illustrative financial statements and a presentation and disclosure checklist, and a basis for conclusions. In addition, the related publication has the following contents:

- Small and medium-sized entities
- Concepts and pervasive principles
- Financial statement presentation
- Statement of financial position
- Statement of comprehensive income and income statement
- Statement of changes in equity and statement of income and retained earnings
- Statement of cash flows
- Notes to the financial statements
- Consolidated and separate financial statements
- Accounting policies, estimates and errors
- Basic financial instruments
- Other financial instruments issues
- Inventories

- Investments in associates
- Investments in joint ventures
- Investment property
- Property, plant and equipment
- Intangible assets other than goodwill
- Business combinations and goodwill
- Leases
- Provisions and contingencies
 - Appendix – guidance on recognising and measuring provisions
- Liabilities and equity
 - Appendix – example of the issuer's accounting for convertible debt
- Revenue
 - Appendix – examples of revenue recognition under related principles
- Government grants
- Borrowing costs
- Share-based payment
- Impairment of assets
- Employee benefits
- Income tax
- Foreign currency translation
- Hyperinflation
- Events after the end of the reporting period
- Related party disclosures
- Specialised activities
- Transition to the IFRS for SMEs
- Glossary
- Derivation table
- Approval by the board of the IFRS for SMEs issued July 2009
- Basis for conclusions (as is available in a separate booklet)
- Illustrative financial statements and presentation and disclosure checklist (available in a separate booklet).

Last changed Issued 9 July 2009. Revisions to the IFRS are limited to once every three years.

Interpretations None

XBRL tags XBRL (eXtensible Business Reporting Language), is an international standard for communicating business data simply and quickly.

Consequently, this language for the electronic communication of business data partners perfectly with IFRSs. Figure 4.42 shows an introductory fragment of XBRL tagging related to this Standard.

```
<link:roleRef xlink:href="rol_ifrs_for_smes_2011-03-25.xsd#ifrs_for_smes_2011-03-25_role-210000" xlink:type="simple" roleURI="http://xbrl.ifrs.org/role/ifrs/ifrs_for_smes_2011-03-25_role-210000"/>
<link:calculationLink xlink:role="http://xbrl.ifrs.org/role/ifrs/ifrs_for_smes_2011-03-25_role-210000" xlink:type="extended">
```

FIGURE 4.42 Fragment of XBRL tagging related to this Standard.

Source: www.ifrs.org/XBRL/IFRS+Taxonomy/IFRS+Taxonomy+2011/IFRS+Taxonomy+2011+files.htm

For additional information, see Part III: XBRL – Using Technology to Implement Standards.

4.4 INTERPRETATIONS TO STANDARDS

Interpretations are part of the IASB's authoritative literature (see IAS 1 *Presentation of Financial Statements*). Therefore financial statements may not be described as complying with IFRS unless they comply with all the requirements of each applicable Standard and each applicable interpretation.

Changes: interpretations usually supersede when Standards are updated or rewritten. The IASB regularly publishes items not added to the agenda – see www.ifrs.org/Current+Projects/IFRIC+Projects/IFRIC+Projects.htm.

Even though no interpretation is issued on these questions, they provide helpful insight into complex technical areas by Standard. Also, in each introduction to the Standard, amendments and references to interpretations are listed. For examples, go to eifrs.iasb.org/eifrs/bnstandards/en/ias39.pdf.

Only four interpretations (IFRIC 2, 5; SIC 27, 29) are added as additional tags to the taxonomy. The following interpretations are in force as at November 2012:

- IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- IFRIC 2 Members' Shares in Co-operative Entities and Similar Instruments
- IFRIC 4 Determining Whether an Arrangement Contains a Lease
- 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 Hyper-inflationary Economies
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 10 Interim Financial Reporting and Impairment
- IFRIC 11 IFRS 2: Group and Treasury Share Transactions
- IFRIC 12 Service Concession Arrangements
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- SIC 7 Introduction of the Euro
- SIC 10 Government Assistance – No Specific Relation to Operating Activities
- SIC 12 Consolidation – Special Purpose Entities
- SIC 13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers
- SIC 15 Operating Leases – Incentives
- SIC 21 Income Taxes – Recovery of Revalued Non-Depreciable Assets
- SIC 25 Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
- SIC 27 Evaluating the Substance of Transactions in the Legal Form of a Lease
- SIC 29 Disclosure – Service Concession Arrangements
- SIC 31 Revenue – Barter Transactions Involving Advertising Services
- SIC 32 Intangible Assets – Web Site Costs

Of course, a critical issue related to the development and delivery of IFRS is the worldwide adoption of IFRS and related standards. This is the topic of the next chapter.

<http://www.pbookshop.com>

IFRS Practice Statement Management Commentary

Objective

The objective of the Practice Statement is to assist management in presenting useful management commentary that relates to financial statements that have been prepared in accordance with IFRS.

Scope

The Practice Statement applies only to management commentary and not to other information presented in either the financial statements of the broader financial reports. The Practice Statement should be applied by entities that present management commentary that relates to financial statements prepared in accordance with IFRS. The Practice Statement does not mandate which entities should be required to publish management commentary, how frequently an entity should do so or the level of assurance to which management commentary should be subjected.

Summary

In addition to the objective, scope and related introduction, a summary of the IFRS Practice Statement appears next:

- Identification of management commentary
- Users of management commentary
- Framework for the presentation of management commentary
 - Purpose
 - Principles
 - Presentation
- Elements of management commentary
 - Nature of the business
 - Objectives and strategies
 - Resources, risks and relationships
 - Results and prospects
 - Performance measures and indicators
- Application date
- Appendix:
 - Defined terms

Purpose of the Practice Statement

The IFRS Practice Statement Management Commentary provides a broad, non-binding framework for the presentation of management commentary that relates to financial statements that have been prepared in accordance with IFRS. The Practice Statement is not an IFRS. Consequently, entities applying IFRS are not required to comply with the Practice Statement unless specifically required by their jurisdiction. Furthermore, non-compliance will not prevent an entity's financial statements from complying with IFRS if they otherwise do so.

What is Management Commentary?

Management Commentary is a narrative report that provides a context within which to interpret the financial position, financial performance and cash flows of an entity. It also provides management with an opportunity to explain its objectives and its strategies for achieving those objectives. Users routinely use the type of information provided in management commentary to help them evaluate an entity's prospects and its general risks, as well as the success of management's strategies for achieving its stated objectives. For many entities, Management Commentary is already an important element of their communication with the capital markets, supplementing as well as complementing the financial statements.

How to apply the Practice Statement

The Practice Statement is prepared on the basis that management commentary lies within the boundaries of financial reporting because it meets the definition of other financial reporting in paragraph 7 of the Preface to International Financial Reporting Standards. Therefore Management Commentary is within the scope of the Conceptual Framework for Financial Reporting. Consequently, the Statement should be read in the context of the Conceptual Framework.

The Practice Statement sets out the principles, qualitative characteristics and elements of management commentary that are necessary to provide users of financial reports with useful information. However, the form and content of management commentary may vary by entity. Thus, the Statement also provides principles to enable entities to adapt the information they provide to the particular circumstances of their business, including the legal and economic circumstances of individual jurisdictions. This flexible approach will generate more meaningful disclosure by encouraging entities that choose to present management commentary to discuss those matters that are most relevant to their individual circumstances.

The Practice Statement refers to 'management' as the persons responsible for the decision making and oversight of the entity. They may include executive employees, key management personnel and members of a governing body.

Last changed December 2010

Interpretations Not applicable

More information on the detailed text of the practice statement is available at www.iasb.org/IFRSs/IFRS.htm.

<http://www.pbookshop.com>

Future plans

Planning and research

Future plans and research are fundamental to the necessary, contemporary nature of IFRS in order to keep them current and relevant to new business conditions.

The IASB has a huge work plan for standards and interpretations in relation to the following segments:

- Agenda consultation (three-yearly public consultation);
- Financial crisis-related projects;
- Memorandum of Understanding projects;
- Other projects.

For more information on the current IASB work plan, see www.ifrs.org/Current+Projects/IASB+Projects/IASB+Work+Plan.htm.

IASB Agenda

Directly related to plans and research is the IASB agenda for assorted projects. This involves a number of important items, such as:

- IASB meeting dates/agendas
- IASB past meetings
- IASB comment deadlines
- Project timetable
- Agenda consultation
- Active agenda projects
- Research projects
- Technical corrections
- Completed projects
- G4 + 1 projects
- XBRL
- Internet reporting
- Sustainability reporting
- Islamic accounting.

For details about the IASB agenda, see www.iasbplus.com/en/projects.

<http://www.pbookshop.com>

New presentation formats

AS WITH CHANGES IN IFRS, new forms of financial statement presentation can arise, as this section will show.

7.1 MODEL FINANCIAL STATEMENTS

All the large accounting firms provide model financial statements for an easy way to start implementing IFRS. In fact, when the first IFRS XBRL taxonomy was developed, it was based on a summative comparison of the various model financial statements available at the time. That way, best practice for presenting financial information using IFRS could be captured.

It is noteworthy that financial statements must be prepared in accordance with IFRS, as well as with the specific requirements of the reporting entity, such as whether an entity is a first-time user of IFRS (if so, see IFRS 1 *First-time Adoption of International Financial Reporting Standards*). Or consider the possible need for consolidation of several entities (as per of IAS 27 *Consolidated and Separate Financial Statements*). Similarly, accounting professionals who are charged with the preparation of final statements will take into account the suitability of IFRS to particular jurisdictions as can be affected by local laws and regulations.

As will become apparent, disclosure requirements will vary, as can the related statements of financial position, and so on. Of course, to aid related comparisons over time, there must be consistency in applying the same principles, such as to the preferred form of presentation.

For model financial statements, see the Deloitte publication *International Financial Reporting Standards – Model financial statements 2011* (www.iasplus.com/en/publications/model-financial-statements-and-checklists/2011/2011-model-financial-statements-with-early-adoption/view).

Particularly, this publication provides a sound guide to the main options available for the accounting practitioner and contains information captured under the following headings:

- Consolidated statement of comprehensive income
 - Alt 1 – Single statement presentation, with expenses analysed by function
 - Alt 2 – Presentation as two statements, with expenses analysed by nature
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Consolidated statement of cash flows
 - Alt 1 – Direct method of reporting cash flows from operating activities
 - Alt 2 – Indirect method of reporting cash flows from operating activities
- Notes to the consolidated financial statements
- Auditor's report

Furthermore, the publication reviews notes to the consolidated financial statements, with these being:

- General information
- Application of new and revised International Financial Reporting Standards
- Significant accounting policies
- Critical accounting judgements and key sources of estimation uncertainty
- Revenue
- Segment information
- Investment income
- Other gains and losses
- Finance costs
- Income taxes relating to continuing operations

- Discontinued operations
- Assets classified as held for sale
- Profit for the year from continuing operations
- Earnings per share
- Property, plant and equipment
- Investment property
- Goodwill
- Other intangible assets
- Subsidiaries
- Investments in associates
- Joint ventures
- Other financial assets
- Other assets
- Inventories
- Trade and other receivables
- Finance lease receivables
- Amounts due from (to) customers under construction contracts
- Issued capital
- Reserves
- Retained earnings and dividends on equity instruments
- Non-controlling interests
- Borrowings
- Convertible notes
- Other financial liabilities
- Provisions
- Other liabilities
- Trade and other payables
- Obligations under finance leases
- Retirement benefit plans
- Financial instruments
- Deferred revenue
- Share-based payments
- Related party transactions
- Business combinations
- Disposal of subsidiary
- Cash and cash equivalents
- Non-cash transactions
- Operating lease arrangements
- Commitments for expenditure

- Contingent liabilities and contingent assets
- Events after the reporting period
- Approval of financial statements

Clearly, much is involved when preparing financial reports for any entity, and especially so when complexity increases. Of particular note is that the Deloitte publication identifies which IFRS relate to each line item of the report examples. Accompanying explanatory notes are particularly instructive in giving an understanding of what IFRS are appropriate and why that might be so. An instance of this approach is presented in Figure 7.1, where relevant IFRS are evident on the left-hand side, and in line with key items of the illustrative financial report shown to the right.

Source	International GAAP Holdings Limited		
IAS 1.10(b), 81(b), 51(b),(c)	Consolidated income statement for the year ended 31 December 2010		
IAS 1.113	Notes	Year ended 31/12/10	Year ended 31/12/09
IAS 1.51(d),(e)		CU'000	CU'000
	Continuing operations		
IAS 1.82(a)	Revenue	140,918	151,840
IAS 1.85	Investment income	3,608	2,351
IAS 1.85	Other gains and losses	647	1,005
IAS 1.99	Changes in inventories of finished goods and work in progress	(7,134)	2,118
IAS 1.99	Raw materials and consumables used	(70,391)	(85,413)
IAS 1.99	Depreciation and amortisation expenses	(11,193)	(13,878)
IAS 1.99	Employee benefits expense	(9,803)	(11,655)
IAS 1.82(b)	Finance costs	(4,418)	(6,023)
IAS 1.99	Consulting expense	(3,120)	(1,926)
	Other expenses	(10,578)	(7,877)
IAS 1.82(c)	Share of profits of associates	1,186	1,589
IAS 1.85	Gain recognised on disposal of interest in former associate	581	–
IAS 1.85	Other (income)	–	–

FIGURE 7.1 Explanatory notes.

Source: www.iasplus.com/en/publications/model-financial-statements-and-checklists/2011/2011-model-financial-statements-with-early-adoption/view

7.2 NEW FINANCIAL STATEMENT PRESENTATION

For several years the IASB has tried to present Financial Statements in a different, more modern, format. The associated project was originally called 'Performance Reporting' and also 'Reporting Comprehensive Income'. The latest project title 'Financial Statement Presentation'. The idea of this initiative is

to present financial information using the same captions (such as operating, financing, investing, etc.) in all three statements, being Statement of Financial Position, Statement of Comprehensive Income and Statement of Cash Flows.

In October 2008, the IASB published for public comment a Discussion Paper entitled 'Preliminary Views on Financial Statement Presentation'. On 1 July 2010, the IASB and the US FASB jointly posted to their websites a staff draft of a proposed standard on financial statement presentation. The draft reflects the cumulative, tentative decisions made by the boards, concluding with their joint meeting in April 2010. Several field tests with outreach and analysis were performed. Examples of the various attempts to accomplish this endeavour are shown in the two tables presented below.

One of the most significant changes will be the integration of the various reporting formats (financial position, income and cash flow statements). Table 7.1 visualises the proposed presentation formats in the IASB and FASB discussion paper.

TABLE 7.1 Proposed presentation formats in the IASB and FASB discussion paper.

Statement of Financial Position	Statement of Comprehensive Income	Statement of Cash Flows
Business	Business	Business
Operating assets and liabilities	Operating income and expenses	Operating cash flows Investing cash flows
Investing assets and liabilities	Investing income and expenses	
Financing	Financing	Financing
Financing assets	Financing asset income	Financing asset cash flows
Financing liabilities	Financing liability expenses	Financing liability cash flows
Income taxes	Income taxes	Income taxes
	on continuing operations (business and financing)	
Discontinued operations	Discontinued operations net of tax	Discontinued operations
	Other comprehensive income net of tax	
Equity		Equity

Source: Adapted from various sources

Note: see www.ifrs.org/Current+Projects/IASB+Projects/Financial+Statement+Presentation/Phase+B/Staff+draft+of+proposed+standard.htm.

In comparison with previous information just presented, Table 7.2 shows common totals and subtotals.

TABLE 7.2 Common totals and subtotals for the proposed standard

Statement of Financial Position	Statement of Cash Flows	Statement of Comprehensive Income
BUSINESS	BUSINESS	BUSINESS
Operating assets	Cash flows from operating activities	Operating income and expenses
Operating liabilities		
Subtotal (A1)	Subtotal (A1)	Subtotal (A1)
Investing assets	Cash flows from investing activities	Investing income and expenses
Investing liabilities		
Subtotal (A2)	Subtotal (A2)	Subtotal (A2)
TOTAL (A) = Subtotals (A1) + (A2)	TOTAL (A) = Subtotals (A1) + (A2)	TOTAL (A) = Subtotals (A1) + (A2)
DISCONTINUED OPERATIONS	DISCONTINUED OPERATIONS	DISCONTINUED OPERATIONS
TOTAL (B) Sum of Net assets of Discontinued operations	TOTAL (B) Sum of Cash flows from Discontinued operations	TOTAL (B) Sum of Income/expense from Discontinued operations
FINANCING	FINANCING	FINANCING
Financing assets	Cash flows from financing assets	Financing income
Subtotal (C1)	Subtotal (C1)	Subtotal (C1)
Financing liabilities	Cash flows from financing liabilities	Financing expenses
Subtotal (C2)	Subtotal (C2)	Subtotal (C2)
Statement of Financial Position	Statement of Cash Flows	Statement of Comprehensive Income
TOTAL (C) = Subtotals (C1) + (C2)	TOTAL (C) = Subtotals (C1) + (C2)	TOTAL (C) = Subtotals (C1) + (C2)
INCOME TAXES	INCOME TAXES	INCOME TAXES
Income tax assets		
Income tax liabilities		
TOTAL (D) Sum of Net income tax asset/liability	TOTAL (D) Sum of Cash flows from income taxes	TOTAL (D) Sum of Income tax expense/benefit
EQUITY	EQUITY	—
TOTAL (E) Sum of Equity	TOTAL (E) Sum of Equity	—

Source: Adapted from various sources

Note: see www.ifrs.org/Current+Projects/IASB+Projects/Financial+Statement+Presentation/Phase+B/Staff+draft+of+proposed+standard.htm.

Contents of IFRS book

CERTAINLY, THE PUBLICATION OF IFRS is beneficial to many people in the business community.

It is worth noting that the publication of IFRS provides information other than the Standards alone. Particularly, the current so-called *Red Book* contains the following sections:

- Preface to IFRS
- The Conceptual Framework for Financial Reporting
- Changes in this Edition
- Introduction to this edition
- 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*
- 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 11 *Construction Contracts*
- IAS 12 *Income Taxes*
- IAS 16 *Property, Plant and Equipment*
- IAS 17 *Leases*
- IAS 18 *Revenue*
- 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 *Consolidated and Separate Financial Statements*
- IAS 28 *Investments in Associates*
- IAS 29 *Financial Reporting in Hyperinflationary Economies*
- IAS 31 *Interests in Joint Ventures*
- 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*
- IFRIC 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*
- IFRIC 2 *Members' Shares in Co-operative Entities and Similar Instruments*
- IFRIC 4 *Determining whether an Arrangement contains a Lease*
- 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 13 Customer Loyalty Programmes
- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IFRIC 15 Agreements for the Construction of Real Estate
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
- IFRIC 17 Distributions of Non-cash Assets to Owners
- IFRIC 18 Transfers of Assets from Customers
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- SIC-7 Introduction of the Euro
- SIC-10 Government Assistance – No Specific Relation to Operating Activities
- SIC-12 Consolidation – Special Purpose Entities
- SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers
- SIC-15 Operating Leases – Incentives
- SIC-25 Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
- SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- SIC-29 Service Concession Arrangements: Disclosures
- SIC-31 Revenue – Barter Transactions Involving Advertising Services
- SIC-32 Intangible Assets – Web Site Costs
- Glossary
- Due Process Handbook for the IFRS Interpretations Committee
- IFRS Foundation Constitution
- Approval by the Board of Improvements to IFRSs issued in May 2008
- Due Process Handbook for the International Accounting Standards Board (IASB)
- Management Commentary

Note also that IFRS 2012 is the only official printed edition of the consolidated text of the IASB's authoritative pronouncements as issued at 1 January 2012.

This *Red Book* edition is presented in two parts:

- Part A (the Conceptual Framework and requirements) contains the latest version of International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and IFRIC and SIC Interpretations.

- Part B contains the accompanying documents, such as illustrative examples, implementation guidance, bases for conclusions and dissenting opinions.

Part A is 1,440 pages (one book) containing the Standards/interpretations and Part B is 2,240 pages (one book) containing the accompanying documents, bases for conclusions, and so on. Total number of pages for Part A and B is 3,680 pages.

<http://www.pbookshop.com>

Glossary for IFRS

THE IFRS FOUNDATION publishes a variety of paper-based and electronic products in quite a number of languages. An overview is available at shop.ifrs.org/ProductCatalog/Default.aspx.

Some of the terms in the Standards, such as assets, and financial instruments appear several thousand times in the Standards and related literature. A 49-page glossary of terms, which is published in the various volumes of the Standards, is a helpful guide to quickly gain an understanding of definitions used in the Standards. A reference is provided to a specific IAS or IFRS where the term is used, for example IAS 8.5 (accounting policies) or IFRS 3.A (acquisition date). The glossary also includes extracts from the Conceptual Framework for Financial Reporting. References to the Conceptual Framework are preceded by CF. References to defined terms in the IFRS Practice Statement Management Commentary are preceded by PS.

The glossary is provided in Appendix B as a further guide in relation to standards, thereby highlighting the depth and breadth of the standards summarised here. Associated Standards are provided where relevant.

Several footnotes indicate variations in meaning. For instance:

1. In the case of an intangible asset, the term 'amortisation' is generally used instead of 'depreciation'. The two terms have the same meaning.
2. In the case of an intangible asset, the term 'amortisation' is generally used instead of 'depreciation'. The two terms have the same meaning.
3. Monetary items are denominated in 'currency units (CU)'.
4. A 'group' is defined in paragraph 4 of IAS 27 Consolidated and Separate Financial Statements as 'a parent and its subsidiaries' from the perspective of the reporting entity's ultimate parent.

10

CHAPTER TEN

Index to IFRS book

IN ADDITION TO THE TABLE OF CONTENTS AND GLOSSARY, it is worthwhile knowing that there is an extensive 55-page index that accompanies the publication of IFRS. This is another helpful tool to locate a particular reference to a Standard. The introduction to this index is presented below:

The index to this volume is a comprehensive index. It references not only all International Financial Reporting Standards – IFRSs, IASs and Interpretations – but also all related documentation including Bases for Conclusions, implementation guidance and illustrative examples. In addition, it includes references to the IFRS Foundation Constitution, the IASB *Conceptual Framework for Financial Reporting*, the *Preface to IFRSs*, an IFRS Practice Statement and the Due Process Handbooks for the IASB and the IFRS Interpretations Committee.

References to IFRSs, IASs, Interpretations and supporting documentation are by document number and paragraph number. The index uses prefix notations to identify the document to which paragraphs and subparagraphs belong.

Table 10.1 provides the prefix notations.

However, the reader should be aware of the different purposes in the use of the glossary versus the index. An example is given next.

TABLE 10.1 Prefix notations used in IFRS index.

Section	Prefix	Examples	Reference
International Financial Reporting Standards (IFRSs) 1–8	IF	IF1.1–47A IF3.3A(c)	IFRS 1, paragraphs 1 to 47A IFRS 3, paragraph 3A subparagraph (c)
International Accounting Standards (IASs) 1–41	no prefix	12.26(a) 37.10	IAS 12, paragraph 26 subparagraph (a) IAS 37, paragraph 10
Basis for Conclusions on IFRSs	BC or BCZ	IF2.BC19–22 IF9.BCZ5.31(d)	Basis for Conclusions on IFRS 2, paragraphs BC19 to BC22 Basis for Conclusions on IFRS 9, paragraph BCZ5.31 subparagraph (d)
Basis for Conclusions on IASs	B, BC or BCZ	24.BC8–14 36.BCZ108–112	Basis for Conclusions on IAS 24, paragraphs BC8 to BC14 Basis for Conclusions on IAS 36, paragraphs BCZ 108 to BCZ112
Implementation guidance on IFRSs and IASs	IG	39.IG Q&A E.4.2 IF4.IG6–10	Implementation guidance on IAS 39 Q&A E.4.2, Implementation guidance on IFRS 4, paragraphs IG6 to IG10
Illustrative examples on IFRS and IASs	IE	33.IE1	IAS 33, Illustrative example 1
Application guidance	AG	32.AG25–26 39.Appendix A AG84–93	Application guidance on IAS 32, paragraphs AG25 to AG26 IAS 39, Appendix A: Application guidance on IAS 39, paragraphs AG84 to AG93

Section	Prefix	Examples	Reference
Appendices to IFRSs and IASs	Appendix	IF1 Appendices A-C 36 .Appendix A4	IFRS 1, Appendices A to C IAS 36, Appendix A, paragraph A4

Other prefixes are: IFRS Foundation Constitution – **CN**; Preface to International Financial Reporting Standards – **IFRS Preface**; Due Process Handbook for the IASB – IASB – **DPH**; IFRIC Interpretation = **IFRIC**; SIC Interpretation – **SIC**; Due Process Handbook for the IFRS Interpretations Committee – **IDPH**; IASB **Conceptual Framework** – **F**; IFRS Practise Statement – **PS**

Source: Adapted from eifrs.ifrs.org/eifrs

Note: Access to this web page requires subscription

Glossary: Acquisition date: The date on which the acquirer obtains control of the acquiree. Reference IFRS 3.

Index: The reference in the index does not appear under ‘acquisition date’ but under Business Combinations acquisition date, definition and determining, IF3.8–9, IF3.Appendix A, IF3.BC106–110.

This latter aspect of the example can be seen in the glimpse of the index provided below, which also shows an example of the detail of entries.

Biological assets— <i>contd</i>	Business combinations— <i>contd</i>
examples, 41.4	acquire, definition of, IF3 .Appendix A
fair value, 41.9-33	acquirer, definition an identification of, IF3 6-7, IF3 .Appendix A, IF3 .Appendix B13-18, IF3 .BC82-105
basis for conclusions 41 .B13-37	acquisition date, definition and determining, IF3 , 8-9
fair value versus cost, 41 B13-26	IF3 .Appendix A, IF3 BC106-110
gains and losses, 41.26-29	acquisition method of accounting, IF3 .4-5, IF3 .BC22-57
basis for conclusions, 41 .B38-40	application of, IF3 .6-53, IF3 .BC80-400
government grants, 41 .34-38	acquisition-related costs, IF3 . 51-53
basis for conclusions, 41 .B63-73	IF3 .BC265-370
impairment losses, 41 .30, 41 .54-56	
inability to measure fair value reliably 41 .30-33, 41 .54-56	
independent valuation, 41 .B33	
inventories, 2 .2-4, 2 .20	

Source: Adapted from eifrs.ifrs.org/eifrs

Note: Access to this web page requires subscription

As suggested, the coverage of topics in the index is extensive, and gives any reader, or researcher, the easy means by which to drill down into areas of particular interest.

<http://www.pbookshop.com>