Editorial Update 15 December 2015

In September 2014 the IASB issued *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*. That document amended IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. The effective date of those amendments on publication was 1 January 2016.

On 15 December 2015, the IASB deferred those amendments until a date to be determined by the IASB. Nevertheless, earlier application of those amendments is permitted. Those amendments are included in 2016 IFRS *Consolidated without early application* (‘the 2016 Blue Book’), which was published before that deferral.

The following three pages show how to adjust the text of the 2016 Blue Book to remove those deferred September 2014 amendments which are not now required for annual reporting periods beginning on 1 January 2016.
Part A

Adjustments required to remove amendments to IFRS 10
*Consolidated Financial Statements* that are not yet effective

<table>
<thead>
<tr>
<th>Paragraphs 25–26 (page A312) are amended. Deleted text is struck through and new text is underlined.</th>
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**Loss of control**

25 If a parent loses control of a subsidiary, the parent:

(a) derecognises the assets and liabilities of the former subsidiary from the consolidated statement of financial position.

(b) recognises any investment retained in the former subsidiary *at its fair value when control is lost* and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRSs. That *fair value* retained interest is remeasured, as described in paragraphs B98(b)(iii) and B99A. The remeasured value at the date that control is lost shall be regarded as the fair value on initial recognition of a financial asset in accordance with IFRS 9 or the cost on initial recognition of an investment in an associate or joint venture, if applicable.

(c) recognises the gain or loss associated with the loss of control attributable to the former controlling interest, as specified in paragraphs B98–B99A.

26 Paragraphs B97–B99A set out guidance for the accounting for the loss of control of a subsidiary.

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In Appendix B, (pages A352–A353) the wording of paragraph B99A, including application example 17, is deleted and replaced by:

*These paragraphs refer to amendments that are not yet effective, and are therefore not included in this edition.*

In Appendix C, (page A355) the wording in paragraph C1C is deleted and replaced by:

*This paragraph refers to amendments that are not yet effective, and is therefore not included in this edition.*
Adjustments required to remove amendments to IAS 28 Investments in Associates and Joint Ventures that are not yet effective

Paragraphs 28 and 30 (pages A851–A855) are amended. Deleted text is struck through and new text is underlined. Paragraphs 29 and 31 are reproduced for ease of reference, but are not amended. The wording of paragraphs 31A–31B and 45C is deleted.

Equity method procedures

28 Gains and losses resulting from ‘upstream’ and ‘downstream’ transactions involving assets that do not constitute a business, as defined in IFRS 3, between an entity (including its consolidated subsidiaries) and its associate or joint venture are recognised in the entity’s financial statements only to the extent of unrelated investors’ interests in the associate or joint venture. ‘Upstream’ transactions are, for example, sales of assets from an associate or a joint venture to the investor. The entity’s share in the associate’s or the joint venture’s gains or losses resulting from these transactions is eliminated. ‘Downstream’ transactions are, for example, sales or contributions of assets from the investor to its associate or its joint venture. The investor’s share in the associate’s or joint venture’s gains or losses resulting from these transactions is eliminated.

29 When downstream transactions provide evidence of a reduction in the net realisable value of the assets to be sold or contributed, or of an impairment loss of those assets, those losses shall be recognised in full by the investor. When upstream transactions provide evidence of a reduction in the net realisable value of the assets to be purchased or of an impairment loss of those assets, the investor shall recognise its share in those losses.

30 The gain or loss resulting from the contribution of a non-monetary assets that do not constitute a business, as defined in IFRS 3, to an associate or a joint venture in exchange for an equity interest in the that associate or joint venture shall be accounted for in accordance with paragraph 28, except when the contribution lacks commercial substance, as that term is described in IAS 16 Property, Plant and Equipment. If such a contribution lacks commercial substance, the gain or loss is regarded as unrealised and is not recognised unless paragraph 31 also applies. Such unrealised gains and losses shall be eliminated against the investment accounted for using the equity method and shall not be presented as deferred gains or losses in the entity’s consolidated statement of financial position or in the entity’s statement of financial position in which investments are accounted for using the equity method.

31 If, in addition to receiving an equity interest in an associate or a joint venture, an entity receives monetary or non-monetary assets, the entity recognises in full in profit or loss the portion of the gain or loss on the non-monetary contribution relating to the monetary or non-monetary assets received.

31A–31B [These paragraphs refer to amendments that are not yet effective, and are therefore not included in this edition.]

31B...

Effective date and transition

...

45C [This paragraph refers to amendments that are not yet effective, and is therefore not included in this edition.]
Part B

Amendments to the Basis for Conclusions on
IFRS 10 Consolidated Financial Statements

Paragraphs BC190A–BC190K (pages B748–B750) and their related heading are deleted and replaced by:
[These paragraphs refer to amendments that are not yet effective, and are therefore not included in this edition.].

Amendments to Dissenting Opinions

Paragraphs DO1–DO12 (pages B789–B791) and their related heading, ‘Dissenting Opinions from Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) as issued in September 2014’, are deleted and replaced by:
[These paragraphs refer to amendments that are not yet effective, and are therefore not included in this edition.].

Amendments to the Basis for Conclusions on
IAS 28 Investments in Associates and Joint Ventures

Paragraphs BC37A–BC37I (pages B1386–B1388) and their related heading are deleted and replaced by:
[These paragraphs refer to amendments that are not yet effective, and are therefore not included in this edition.].

Amendments to Dissenting Opinions

Paragraphs DO1–DO12 (pages B1395–B1397) and their related heading, ‘Dissenting Opinions from Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) as issued in September 2014’, are deleted and replaced by:
[These paragraphs refer to amendments that are not yet effective, and are therefore not included in this edition.].