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International Financial Reporting Standards



Changes in accounting definitions of elements

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The views expressed in this presentation are those of the presenter, not necessarily those of the IASB or IFRS Foundation.



- Since 2014 accounting definitions included in the IFRS Taxonomy – documentation labels
- IASB may (rarely) change the definition of an accounting term for example, in August it published "Equity Method in Separate Financial Statements (Amendments to IAS 27)"
- Those changes have a future effective date, with earlier application permitted.



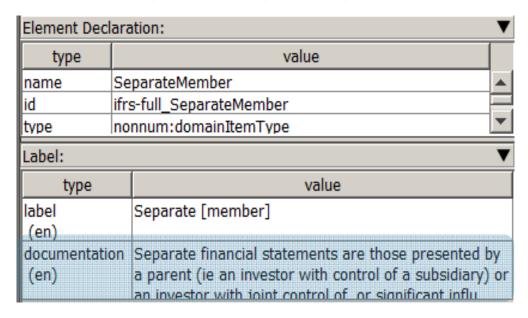
Current definition:

Separate financial statements are those presented by a parent (ie an investor with control of a subsidiary) or an investor with joint control of, or significant influence over, an investee, in which the investments are accounted for at cost or in accordance with IFRS 9 Financial Instruments.

New definition:

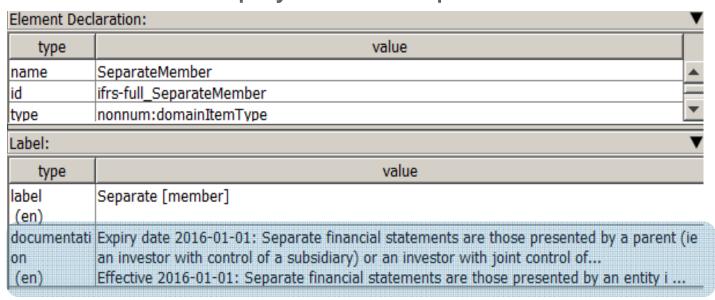
Separate financial statements are those presented by an entity in which the entity could elect, subject to requirements in this Standard, to account for its investments in subsidiaries, joint ventures and associates either at cost, in accordance with IFRS 9 Financial Instruments or using the equity method as described in IAS 28 Investments in Associates and Joint Ventures.

Definitions – current view



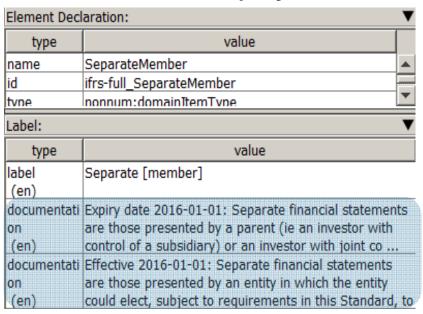


Definitions – option 1 – use 1 documentation label with effective and expiry dates as part of text



- difficult to see both definitions (although "expiry date xxx" suggests existence of another definition)
- + consistent with current use of labels of the same type (single use)

Definitions – option 2 – use 2 documentation labels with effective and expiry dates as part of text



- two different labels of the same type have never been used before (potential issues for software?)
- + clear separation of existing and future definition



Definitions – option 3

create separate Taxonomy elements – does not seem
viable as the accounting term remains unchanged

Team's view:

IFRS Taxonomy Team members support option 2, unless there are any problems for software.

Questions:

- 1) Which option do you prefer? Why?
- 2) Do you see any other options?



Thank you



