

## STAFF PAPER

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## IASB Meeting

| Project     | Disclosure Initiative  |
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| Paper topic | Guidance issued after 2005: high level summary of application and transitional provisions  |
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This paper has been prepared for discussion at a public meeting of the IASB and does not represent the views of the IASB or any individual member of the IASB. Comments on the application of IFRSs do not purport to set out acceptable or unacceptable application of IFRSs. Technical decisions are made in public and reported in IASB *Update*.

This Agenda Paper represents background information for Agenda Paper 11D.

It summarises—*at a very high level*—application and transitional provisions of IFRS guidance issued after 2005 (including Standards, amendments, interpretations and annual improvements).

**IFRSs issued after 2005: summary of application and transitional provisions**

| <b>Standard</b>  | <b>IAS 8 or transitional provisions</b>  |
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| <b>IFRS 7</b><br><i>Financial Instruments: Disclosures</i> | IAS 8 retrospective application  |
| <b>IFRS 8</b><br><i>Operating Segments</i>                 | IAS 8 retrospective application  |
| <b>IFRS 9</b><br><i>Financial Instruments</i>              | <p>Transitional provisions:</p> <ul style="list-style-type: none"> <li>• the Standard does not apply to financial assets that have already been derecognised at the date of initial application;</li> <li>• IAS 8 retrospective application with restatement for those assets, if it is possible without the use of hindsight;</li> <li>• there are exemptions for retrospective application;</li> <li>• if restatements require the use of hindsight, no restatement of comparatives with an adjustment to the opening equity; and</li> <li>• hedge accounting is applied prospectively.</li> </ul> |
| <b>IFRS 10</b><br><i>Consolidated Financial Statements</i> | <p>Transitional provisions and IAS 8 retrospective application:</p> <ul style="list-style-type: none"> <li>• assess control over existing investees at the date of initial application;</li> <li>• allowed to restate comparative amounts for the immediately preceding year only;</li> <li>• relief by limiting quantitative disclosures required by IAS 8 paragraph 28(f) only for the immediately preceding year;<sup>1</sup></li> <li>• specific impracticability guidance; and</li> <li>• choice of which version of IFRS 3 and IAS 27 to use.</li> </ul>                                       |

<sup>1</sup> In other words, an entity does not need to disclose quantitative information required by IAS 8.28(f) for the current period. IAS 8.28(f) requires to disclose:

for the current period and each prior period presented, to the extent practicable, the amount of the adjustment:

- (i) for each financial statement line item affected; and
- (ii) if IAS 33 *Earnings per Share* applies to the entity, for basic and diluted earnings per share.

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| <b>IFRS 10</b><br><i>Consolidated Financial Statements—Investment Entities</i> | <p>Transitional provisions and IAS 8 retrospective application:</p> <ul style="list-style-type: none"> <li>• assess whether an entity is an investment entity at the date of initial application;</li> <li>• allowed to restate comparative amounts for the immediately preceding year only; and</li> <li>• relief by limiting quantitative disclosures required by IAS 8 paragraph 28(f) only for the immediately preceding year.</li> </ul>  |
| <b>IFRS 11</b> <i>Joint Arrangements</i>                                       | <p>Transitional provisions and IAS 8 retrospective application:</p> <ul style="list-style-type: none"> <li>• allowed to restate comparative amounts for the immediately preceding year only; and</li> <li>• relief by limiting quantitative disclosures required by IAS 8 paragraph 28(f) only for the immediately preceding year.</li> </ul>  |
| <b>IFRS 12</b><br><i>Disclosure of Interests in Other Entities</i>             | <p>Transitional provisions:</p> <ul style="list-style-type: none"> <li>• restate comparative amounts for the immediately preceding year only.</li> </ul>   |
| <b>IFRS 13</b> <i>Fair Value Measurement</i>                                   | <p>Prospective application because changes in fair value measurement are considered to be changes in accounting estimates.</p>   |
| <b>IFRS 14</b><br><i>Regulatory Deferral Accounts</i>                          | <p>IAS 8 retrospective application.</p>  |
| <b>IFRS 15</b><br><i>Revenue from Contracts with Customers</i>                 | <p>Transitional provisions and IAS 8 retrospective application:</p> <ul style="list-style-type: none"> <li>• there are practical expedients for retrospective application;</li> <li>• a ‘modified’ approach (ie not restate comparatives, with a catch-up adjustment to the opening balance of retained earnings) is allowed;</li> <li>• under the modified approach, the Standard applies to contracts that are not yet completed as of the application date;</li> <li>• relief by limiting quantitative disclosures required by IAS 8 paragraph 28(f) for the immediately preceding year if retrospective application is applied.</li> </ul> |

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| <b>IAS 27 <i>Separate Financial Statements</i> (2011)</b>                | IAS 8 retrospective application <ul style="list-style-type: none"><li>the requirements are generally consistent with the previous Standard; consequently, restatements are unlikely.</li></ul>         |
| <b>IAS 28 <i>Investments in Associates and Joint Ventures</i> (2011)</b> | Transitional provisions: <ul style="list-style-type: none"><li>IFRS 11 includes specific provisions for joint ventures that were previously accounted for using proportionate consolidation.</li></ul> |

**IFRICs and amendments to IFRSs: summary of transitional provisions**

| <b>IFRIC</b>   | <b>Date</b>   | <b>What does it<br/><i>mainly</i><br/>address?</b><br><br>eg presentation,<br>disclosure,<br>recognition or<br>measurement | <b>Application</b><br><br>Retrospective <sup>2</sup> /<br>prospective <sup>3</sup> |
|--|---------------|--|--|
| <b>IFRIC 21</b> <i>Levies</i>  | May 2013      | Recognition  | Retrospective  |
| <b>IFRIC 20</b> <i>Stripping Costs in the Production Phase of a Surface Mine</i>                                       | October 2011  | Recognition and measurement  | Prospective from the beginning of the earliest comparative period                  |
| <b>IFRIC 19</b> <i>Extinguishing Financial Liabilities with Equity Instruments</i>                                     | November 2009 | Recognition and measurement  | Retrospective from the beginning of the earliest comparative period                |
| <b>IFRIC 18</b> <i>Transfers of Assets from Customers</i>  | January 2009  | Measurement  | Prospective  |
| <b>IFRIC 17</b> <i>Distributions of Non-cash Assets to Owners</i>  | November 2008 | Recognition and measurement  | Prospective  |
| <b>IFRIC 16</b> <i>Hedges of a Net Investment in a Foreign Operation</i>   | July 2008     | Measurement  | Prospective  |
| <b>IFRIC 15</b> <i>Agreements for the Construction of Real Estate</i>  | July 2008     | Recognition  | Retrospective  |
| <b>IFRIC 14</b> <i>IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i> | July 2007     | Measurement  | Prospective from the beginning of the earliest comparative period                  |

<sup>2</sup> As defined in paragraph 22 of IAS 8, ie with restatement of all presented comparative information.

<sup>3</sup> As defined in paragraph 5 of IAS 8, ie applying the new accounting policy to transactions, other events and conditions occurring after the date as at which the policy is changed.

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| <b>IFRIC 13</b> <i>Customer Loyalty Programmes</i>   | June 2007      | Recognition and measurement | Retrospective                      |
| <b>IFRIC 12</b> <i>Service Concession Arrangements</i>   | November 2006  | Recognition and measurement | Retrospective unless impracticable |
| <b>IFRIC 11</b> <i>IFRS 2—Group and Treasury Share Transactions</i>  | November 2006  | Measurement                 | Retrospective                      |
| <b>IFRIC 10</b> <i>Interim Financial Reporting and Impairment</i>  | July 2006      | Measurement                 | Prospective                        |
| <b>IFRIC 9</b> <i>Reassessment of Embedded Derivatives</i>   | March 2006     | Recognition                 | Retrospective                      |
| <b>IFRIC 8</b> <i>Scope of IFRS 2</i> when the entity cannot specifically identify some or all of the goods or services received   | January 2006   | Recognition                 | Retrospective                      |
| <b>Amendment</b>   |                |                             |                                    |
| Amendments to <b>IAS 28</b> <i>Investments in Associates and Joint Ventures</i> and <b>IFRS 10</b> <i>Consolidated Financial Statements</i> that clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. | September 2014 | Measurement                 | Prospective                        |
| Amendments to <b>IAS 27</b> <i>Separate Financial Statements</i> that reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.   | August 2014    | Presentation                | Retrospective                      |

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| Amendments to <b>IAS 16</b> <i>Property, Plant and Equipment</i> and <b>IAS 41</b> <i>Agriculture</i> that bring bearer plants into the scope of IAS 16  | June 2014     | Classification and measurement | Retrospective with measurement expedient <sup>4</sup> |
| Amendments to the accounting under <b>IAS 16</b> <i>Property, Plant and Equipment</i> and <b>IAS 38</b> <i>Intangible Assets</i> that provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated. | May 2014      | Measurement                    | Prospectively   |
| Amendments to <b>IFRS 11</b> <i>Joint Arrangements</i> regarding the clarification of the accounting for acquisitions of an interest in a joint operation when the operation constitutes a business.   | May 2014      | Measurement                    | Prospectively   |
| Amendments to the accounting under <b>IAS 19</b> (2011) <i>Employee Benefits</i> for contributions from employees or third parties that are linked to service.   | November 2013 | Measurement                    | Retrospectively                                       |
| Amendments to <b>IAS 39</b> <i>Financial Instruments: Recognition and Measurement</i> clarifying that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.  | July 2013     | Recognition                    | Retrospective   |
| Amendments to the recoverable amount disclosures required by <b>IAS 36</b> <i>Impairment of Assets</i>   | May 2013      | Disclosure                     | Retrospective   |
| Amendments to <b>IAS 32</b> <i>Financial Instruments: Presentation</i> and <b>IFRS 7</b> <i>Financial Instruments: Disclosures</i> clarifying the accounting requirements and disclosures related to the offsetting of financial assets  | December 2011 | Presentation and disclosure    | Retrospective   |

<sup>4</sup> An entity is allowed to use fair value at the date of initial application as deemed cost at the beginning of the earliest period presented. In addition, there is relief by limiting quantitative disclosures required by IAS 8 paragraph 28(f) for the immediately preceding year.

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| and financial liabilities.   |               |                             |  |
| Amendments to <b>IAS 19</b> <i>Employee Benefits</i> that change the accounting for defined benefits plans and termination benefits.   | June 2011     | Measurement                 | Retrospective with two exceptions (for disclosures)  |
| Amendments to <b>IAS 1</b> to provide guidance on the presentation of the items contained in OCI and their classification within OCI.  | June 2011     | Presentation                | Retrospective  |
| Amendments provide an exception to the general principle in <b>IAS 12</b> that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset.   | January 2011  | Measurement                 | Retrospective  |
| Amendments to <b>IFRS 7</b> <i>Financial Instruments: Disclosures</i> increase the disclosure requirements for transactions involving transfers of financial assets.   | October 2010  | Disclosure                  | Prospective  |
| Amendments to <b>IAS 24</b> <i>Related Party Disclosures</i> . The revised Standard simplifies the disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a government (referred to as government related entities) and clarifies the definition of a related party.                        | November 2009 | Disclosure                  | Retrospective  |
| Amendments to <b>IAS 32</b> <i>Financial Instruments: Presentation</i> , entitled 'Classification of Rights Issues'.   | October 2009  | Classification              | Retrospective  |
| Amendments to <b>IFRS 2</b> <i>Share-based Payment</i> to clarify the scope of IFRS 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle | June 2009     | Measurement and recognition | Retrospective if sufficient information is available |



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| the award.  |               |                             |               |
| Amendments to <b>IFRS 7</b> to enhance disclosures about fair value measurements and liquidity risk in the wake of the recent financial crisis.   | March 2009    | Disclosure                  | Prospective   |
| Amendments to <b>IFRIC 9</b> and <b>IAS 39</b> to clarify the accounting for embedded derivatives when a financial asset is reclassified out of the 'fair value through profit or loss' (FTVPL) category as permitted by the October 2008 amendments to IAS 39. | March 2009    | Recognition                 | Retrospective |
| Amendments to <b>IAS 39</b> and <b>IFRS 7</b> about reclassification of financial assets.   | October 2008  | Classification              | Prospective   |
| Amendments to <b>IAS 39</b> <i>Financial Instruments: Recognition and Measurement</i> that provide clarification on two issues in relation to hedge accounting.   | July 2008     | Measurement                 | Retrospective |
| Amendments to <b>IAS 32</b> <i>Financial Instruments: Presentation</i> and <b>IAS 1</b> <i>Presentation of Financial Statements</i> about puttable financial instruments and obligations arising on liquidation.  | February 2008 | Presentation                | Retrospective |
| Amendments to <b>IFRS 2</b> <i>Share-based Payment</i> to clarify the definition of vesting conditions and the accounting treatment of cancellations by the counterparty to a share-based arrangement.  | January 2008  | Recognition and measurement | Retrospective |
| Revised <b>IAS 1</b> <i>Presentation of Financial Statements</i>  | October 2007  | Presentation                | Retrospective |
| Amendments to <b>IAS 23</b> <i>Borrowing Costs</i> to eliminate the option available under the previous version of the Standard to recognise all borrowing costs immediately as an expense.   | April 2007    | Recognition and measurement | Prospectively |

**Annual improvements to IFRSs: summary of application and transitional provisions**

| <b>Improvement</b>   | <b>What does it mainly address?<br/>eg. presentation, disclosure, recognition or measurement</b> | <b>Application:<br/>retrospective or prospective</b>  |
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| <b>2012-2014 Cycle</b>   |  |   |
| <b>IFRS 5</b> Changes in methods of disposal   | Measurement  | Prospective   |
| <b>IFRS 7</b> Servicing contracts  | Disclosure   | Prospective   |
| <b>IFRS 7</b> Applicability of the amendments to IFRS 7 to condensed interim financial statements                  | Disclosure   | Prospective   |
| <b>IAS 19</b> Discount rate: regional market issue   | Measurement  | From the beginning of the earliest comparative period |
| <b>IAS 34</b> Disclosure of information ‘elsewhere in the interim financial report’                                | Disclosure   | Retrospective   |
| <b>2011-2013 Cycle</b>   |  |   |
| <b>IFRS 1</b> Clarification of the meaning of ‘effective IFRSs’  | n/a  |   |
| <b>IFRS 3</b> Clarification of the scope exclusion for joint ventures  | Measurement and presentation   | Prospective   |
| <b>IFRS 13</b> Clarification of the scope of the portfolio exception   | Measurement  | Prospective   |
| <b>IAS 40</b> Clarification of interrelationship between IFRS 3 and IAS 40 (re acquisition of investment property) | Measurement and presentation   | Prospective, with retrospective permitted             |
| <b>2010-2012 Cycle</b>   |  |   |
| <b>IFRS 2</b> Definition of vesting condition  | Measurement  | Prospective   |

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| <b>IFRS 3</b> Accounting for contingent consideration in a business combination  | Measurement  | Prospective   |
| <b>IFRS 8</b> (i) Aggregation of operating segments and (ii) Reconciliation of the total of the reportable segments' assets to the entity's assets | Disclosure   | Retrospective   |
| <b>IFRS 13</b> Short-term receivables and payables   | Measurement  | Prospective   |
| <b>IAS 16</b> Revaluation method: proportionate restatement of accumulated depreciation  | Measurement  | From the beginning of the earliest comparative period |
| <b>IAS 24</b> Key management personnel   | Disclosure   | Retrospective   |
| <b>IAS 38</b> Revaluation method: proportionate restatement of accumulated depreciation  | Measurement  | From the beginning of the earliest comparative period |
| <b>2009-2011 Cycle</b>   |              |   |
| <b>IFRS 1</b> Repeated application of IFRS 1   | n/a          |   |
| <b>IFRS 1</b> Borrowing costs  | Measurement  | Prospective   |
| <b>IAS 1</b> Clarification of requirements for comparative information   | Presentation | Retrospective   |
| <b>IAS 16</b> Classification of servicing equipment  | Presentation | Retrospective   |
| <b>IAS 32</b> Tax effect of distribution to holders of equity instruments  | Presentation | Retrospective   |
| <b>IAS 34</b> Interim financial reporting and segment information for total assets and liabilities   | Disclosure   | Retrospective   |
| <b>2010</b>  |              |   |
| <b>IFRS 1</b> Clarification about accounting policy changes in the year of adoption  | n/a          |   |
| <b>IFRS 1</b> Clarification about revaluation basis as deemed cost.  | Measurement  |   |

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| <b>IFRS 1</b> Use of deemed cost for operations subject to rate regulations.   | Measurement                |                               |
| <b>IFRS 3</b> Measurement of non-controlling interests.  | Measurement                | Prospective                   |
| <b>IFRS 3</b> Un-replaced and voluntary replaced share-based payment awards.   | Measurement                | Prospective                   |
| <b>IFRS 3</b> Clarification of transitional requirements for contingent consideration from a business combination that occurred before the effective date of IFRS 3(2008). | Measurement and disclosure | Retrospective                 |
| <b>IFRS 7</b> Clarifications of disclosures.   | Disclosure                 | Retrospective                 |
| <b>IAS 1</b> Clarification of statement of changes in equity.  | Presentation               | Retrospective                 |
| <b>IAS 27</b> Clarification of transitional requirements for consequential amendments as a result of IAS 27(2008).   | Measurement and disclosure | Prospective and retrospective |
| <b>IAS 34</b> Significant events and transactions.   | Disclosure                 | Retrospective                 |
| <b>IFRIC 13</b> Clarification about fair value of award credit.  | Measurement                | Retrospective                 |
| <b>2009</b>  |                            |                               |
| <b>IFRS 2</b> Scope of IFRS 2 and revised IFRS 3.  | Measurement                | Prospective                   |
| <b>IFRS 5</b> Disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations.                           | Disclosure                 | Prospective                   |
| <b>IFRS 8</b> Disclosure of information about segment assets (only if reported to COD <sup>5</sup> ).  | Disclosure                 | Retrospective                 |
| <b>IAS 1</b> Current/non-current classification of convertible instruments.  | Presentation               | Retrospective                 |
| <b>IAS 7</b> Classification of expenditures on unrecognised assets.  | Presentation               | Retrospective                 |

<sup>5</sup> Chief operating decision-maker.

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| <b>IAS 17</b> Classification of leases of land and buildings.   | Measurement and presentation | Prospective, with retrospective permitted |
| <b>IAS 18</b> Determining whether an entity is acting as a principal or as an agent.  | Presentation                 | n/a                                       |
| <b>IAS 36</b> Unit of accounting for goodwill impairment test.  | Measurement                  | Prospective                               |
| <b>IAS 38</b> Consequential amendments arising from IFRS 3(2008) re accounting for intangible assets.                                   | Measurement                  | Prospective                               |
| <b>IAS 38</b> Measuring the fair value of an intangible asset acquired in a business combination.                                       | Measurement                  | Prospective                               |
| <b>IAS 39</b> Clarification about treating loan prepayment penalties as closely related derivatives.                                    | Measurement                  | Retrospective                             |
| <b>IAS 39</b> Scope exemption for business combination contracts.   | Measurement                  | Prospective                               |
| <b>IAS 39</b> Cash flow hedge accounting.   | Measurement                  | Prospective                               |
| <b>IAS 39</b> Clarification about hedging using internal contracts.   | Measurement                  | Retrospective                             |
| <b>IFRIC 9</b> Scope of IFRIC 9 and revised IFRS 3.   | Measurement                  | Prospective                               |
| <b>IFRIC 16</b> Clarification of restriction on the entity that can hold hedging instruments.   | Measurement                  | Retrospective                             |
| <b>2008 Part I<sup>6</sup></b>  |                              |   |
| <b>IFRS 5</b> Plan to sell the controlling interest in a subsidiary.  | Measurement                  | Prospective                               |
| <b>IAS 1</b> Classification of derivatives as current/non-current.  | Presentation                 | Retrospective                             |
| <b>IAS 16</b> Replacement of the term ‘net selling price’ with ‘fair value less costs to sell’ in the definition of recoverable amount. | Measurement                  | Retrospective                             |

<sup>6</sup> Part II included amendments which were expected to have no or minimal effect on accounting.

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| <b>IAS 16/IAS 17</b> Sale of assets held for rental.   | Presentation | Retrospective                             |
| <b>IAS 19</b> Curtailments and negative past service cost.   | Measurement  | Prospective                               |
| <b>IAS 19</b> Plan administration costs.   | Measurement  | Retrospective                             |
| <b>IAS 19</b> Replacement of term ‘fall due’ in the definition of short-term employee benefits.  | Measurement  | Retrospective                             |
| <b>IAS 19</b> Removal of the reference to ‘recognition’ in relation to contingent liabilities.   | n/a          | n/a                                       |
| <b>IAS 20</b> Government loans with a below-market rate of interest.   | Measurement  | Prospective                               |
| <b>IAS 23</b> Components of borrowing costs—description replaced with reference to IAS 39.   | n/a          | n/a                                       |
| <b>IAS 27</b> Measurement in separate financial statements of investments in subsidiaries, jointly controlled entities and associates held for sale. | Measurement  | Prospective                               |
| <b>IAS 28/IAS 32/IFRS 7</b> Required disclosures when investments in associates are accounted for at FVPL. <sup>7</sup>                              | Disclosures  | Retrospective, with prospective permitted |
| <b>IAS 28</b> Impairment of investments in associates.   | Measurement  | Retrospective, with prospective permitted |
| <b>IAS 29</b> Description of historical cost financial statements.   | n/a          | n/a                                       |
| <b>IAS 31/IAS 32/IFRS 7</b> Required disclosures when investments in jointly controlled entities are accounted for at FVPL.                          | Disclosures  | Retrospective, with permitted prospective |

<sup>7</sup> Fair Value through Profit or Loss.