

STAFF PAPER

December 2017

IASB Meeting

Project	Accounting policy changes (amendments to IAS 8)		
Paper topic	Sweep issue - transition		
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Introduction and purpose

1. At its meetings in June and September 2017, the International Accounting Standards Board (Board) tentatively decided to propose to amend IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to lower the impracticability threshold relating to retrospective application. Specifically, the Board tentatively decided to lower the impracticability threshold for voluntary changes in accounting policies that result from agenda decisions published by the IFRS Interpretations Committee. The proposed threshold would include a consideration of the costs and benefits of applying the change retrospectively.
2. At its meeting in October 2017, the Board confirmed that it has complied with the applicable due process requirements and undertaken sufficient consultation and analysis to begin the balloting process for the proposed amendments to IAS 8. Whilst drafting those proposed amendments, we identified the need to discuss transition, which this paper addresses.

Staff analysis

3. The proposed amendments would lower the impracticability threshold relating retrospective application of voluntary changes in accounting policies that result from agenda decisions.
4. We think entities should apply these amendments prospectively to any voluntary changes in accounting policies resulting from agenda decisions that the entity makes

on or after the effective date of these amendments. Given the nature of the proposed amendments, we see no reason to require or permit entities to go back and ‘redo’ the accounting they applied to voluntary changes in accounting policies that happened in the past.

5. The amendments do not affect first-time adopters of IFRS Standards because they address the accounting for voluntary changes in accounting policies resulting from agenda decisions and not the policies applied by first-time adopters in their first set of IFRS financial statements. Consequently, the Board does not need to consider transition for first-time adopters.

Staff recommendation

6. We recommend that entities apply the amendments to IAS 8 prospectively to any voluntary changes in accounting policies resulting from agenda decisions that the entity makes on or after the effective date of the amendments.

Question for the Board

Does the Board agree with our recommendation that entities apply the amendments to IAS 8 prospectively to any voluntary changes in accounting policies resulting from agenda decisions that the entity makes on or after the effective date of the amendments?