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## IASB<sup>®</sup> meeting

Date	<b>February 2024</b>
Project	<b>Maintenance and consistent application</b>
Topic	<b>Cover paper</b>
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This paper has been prepared for discussion at a public meeting of the International Accounting Standards Board (IASB). This paper does not represent the views of the IASB or any individual IASB member. Any comments in the paper do not purport to set out what would be an acceptable or unacceptable application of IFRS<sup>®</sup> Accounting Standards. The IASB's technical decisions are made in public and are reported in the IASB<sup>®</sup> *Update*.

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## Objective

1. The objective of this session is to discuss the following maintenance and consistent application topics:
  - (a) AP12A–AP12I: Annual Improvements to IFRS Accounting Standards—  
Volume 11:
    - (i) Agenda Paper 12A: Hedge Accounting by a First-time Adopter (Amendments to IFRS 1 *First-time adoption of International Financial Reporting Standards*): Analysis of feedback.
    - (ii) Agenda Paper 12B: Gain or Loss on Derecognition (Amendments to IFRS 7 *Financial Instruments: Disclosures*): Analysis of feedback.
    - (iii) Agenda Paper 12C: Introduction and Credit Risk Disclosures (Amendments to *Guidance on implementing IFRS 7*): Analysis of feedback.
    - (iv) Agenda Paper 12D: Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to *Guidance on implementing IFRS 7*): Analysis of feedback.

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- (v) Agenda Paper 12E: Derecognition of Lease Liabilities (Amendments to IFRS 9 *Financial Instruments*): Analysis of feedback.
  - (vi) Agenda Paper 12F: Transaction Price (Amendments to IFRS 9 *Financial Instruments*): Analysis of feedback.
  - (vii) Agenda Paper 12G: Determination of a ‘De Facto Agent’ (Amendments to IFRS 10 *Consolidated Financial Statements*): Analysis of feedback.
  - (viii) Agenda Paper 12H: Cost Method (Amendments to IAS 7 *Statement of Cash Flows*): Analysis of feedback.
  - (ix) Agenda Paper 12I: Effective date and due process.
  - (b) AP12J–AP12K: Use of a Hyperinflationary Presentation Currency by a Non-hyperinflationary Entity (IAS 21 *The Effects of Changes in Exchange Rates*):
    - (i) Agenda Paper 12J: Disclosure and transition requirements.
    - (ii) Agenda Paper 12K: Due process requirements.

### ***Annual Improvements to IFRS Accounting Standards—Volume 11***

2. The International Accounting Standard Board (IASB) published the [Exposure Draft](#) *Annual Improvements to IFRS Accounting Standards—Volume 11* in September 2023.
3. The comment period ended in December 2023 and the IASB received 39 comment letters that can be accessed [here](#). Responses were received from national standard-setters, regulators, accountancy bodies, accounting firms, preparers and individuals.
4. The objective of this meeting is to present the IASB with a summary of feedback on the proposed amendments included in the Exposure Draft, together with our analysis and recommendations on how the IASB should proceed.

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### *Criteria for annual improvements*

5. Paragraphs 6.10–6.13 of the IFRS Foundation [\*Due Process Handbook\*](#) include the criteria for annual improvements. To meet these criteria, the proposed solution would need to be limited to:
  - (a) clarifying the wording in an Accounting Standard, which involves either replacing unclear wording in existing Accounting Standards or providing requirements where an absence of requirements is causing concern; or
  - (b) correcting relatively minor unintended consequences, oversights or conflicts between existing requirements.
6. Annual improvements maintain consistency with the existing principles within the applicable Accounting Standard and do not propose a new principle or change an existing principle.

### *Sources of annual improvements*

7. One respondent said the IASB could have achieved more with the Exposure Draft if it had allowed respondents to submit wording inconsistencies in the Accounting Standards not addressed in the Exposure Draft. We note that the IASB receives suggestions for potential annual improvements on a continuing basis through various sources. For example, stakeholders provide suggestions as they work with and apply the Accounting Standards. Some potential annual improvements are identified through discussions of the IFRS Interpretations Committee.
8. There are no cut-off dates for stakeholders to submit items they consider to be potential annual improvements. The IASB staff researches potential annual improvements as resources permit and maintains an inventory of suggested changes to be considered in the next volume of annual improvements. The IASB considers potential annual improvements on the basis of technical staff research and recommendations in accordance with the *Due Process Handbook*.