

# Changes in this edition

This is a brief guide to the changes incorporated in this 2023 edition since the publication of *The Annotated IFRS® Standards – Required at 1 January 2022*.

## Basis of preparation

This edition contains only IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as at 31 December 2022 that are required for accounting periods beginning on or after 1 January 2023 (that is, all Accounting Standards with an effective date on or before 1 January 2023).

Accounting Standards and amendments to Accounting Standards issued by 31 December 2022 with an effective date after 1 January 2023 are excluded from this edition; they will be reproduced in *IFRS® Accounting Standards – Issued at 1 January 2023* and in *The Annotated IFRS® Accounting Standards – Standards issued at 1 January 2023*.

The IFRS Accounting Standards in this edition have been annotated with extensive cross-references, explanatory notes and IFRS Interpretations Committee (Committee) agenda decisions to help users apply the Accounting Standards.

## New in this edition

The documents and amendments in this edition are effective from 1 January 2023 and include:

- one Accounting Standard newly required in 2023, IFRS 17 *Insurance Contracts*;
- amendments to eight Accounting Standards and one practice statement, issued in *Definition of Accounting Estimates*, *Disclosure of Accounting Policies* and *Deferred Tax relating to Assets and Liabilities arising from a Single Transaction*;
- **amendments to sixteen Accounting Standards** as a consequence of the issue of IFRS 17.

The table and subsequent summaries provide further details about the documents and amendments.

Table—New requirements effective from 1 January 2023				
Standard/ amendment	When issued	Effective date (early application is possible unless otherwise noted)	Standards/ Interpretations amended	Standard withdrawn
<i>Insurance Contracts</i> Amended IFRS 17	May 2017, amended in June 2020 and December 2021	1 January 2023	IFRS 3, IFRS 5, IFRS 7, IFRS 9, IFRS 15, IAS 1, IAS 7, IAS 16, IAS 19, IAS 28, IAS 32, IAS 36, IAS 37, IAS 38, IAS 40, SIC-27	IFRS 4

*continued...*

...continued

<b>Table—New requirements effective from 1 January 2023</b>				
<b>Standard/ amendment</b>	<b>When issued</b>	<b>Effective date</b> (early application is possible unless otherwise noted)	<b>Standards/ Interpretations amended</b>	<b>Standard withdrawn</b>
<i>Definition of Accounting Estimates</i> Amendments to IAS 8	February 2021	1 January 2023	IAS 8	
<i>Disclosure of Accounting Policies</i> Amendments to IAS 1 and IFRS Practice Statement 2	February 2021	1 January 2023	IFRS 7, IAS 1, IAS 26, IAS 34, IFRS 8, IFRS Practice Statement 2	
<i>Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction</i> Amendments to IAS 12	May 2021	1 January 2023	IFRS 1, IAS 12	

Minor editorial corrections to Standards (including necessary updating) have also been made; a list of all such corrections is available at [www.ifrs.org/issued-standards/editorial-corrections/](http://www.ifrs.org/issued-standards/editorial-corrections/).

Agenda decisions published since 1 January 2022 have been added as annotations to IAS 1, IAS 7, IAS 20, IAS 32, IAS 37, IFRS 9, IFRS 15 and IFRS 17

New and revised Standards, IFRIC Interpretations and practice statements are available to IFRS Digital subscribers on the IFRS Standards Navigator at <https://www.ifrs.org/issued-standards/list-of-standards/>.

## **Amendments to Accounting Standards**

### **IFRS 17 *Insurance Contracts* and *Amendments to IFRS 17***

IFRS 17 *Insurance Contracts* applies to: insurance contracts, including reinsurance contracts, issued by an entity with specified exceptions; reinsurance contracts held by an entity; and investment contracts with discretionary participation features issued by an entity that issues insurance contracts. An insurance contract is defined as ‘a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder’.

In the statement of financial position, an entity is required to measure profitable insurance contracts at the risk-adjusted present value of the future cash flows plus unearned profit for services to be provided under the contract.

IFRS 17 requires an entity to recognise profit from a group of insurance contracts over the period the entity provides services, and as the entity is released from risk. If a group of contracts is or becomes loss-making, the entity is required to recognise the loss immediately.

The Accounting Standard also requires insurance revenue, insurance service expenses, and insurance finance income or expenses to be presented separately.

Since the IASB issued IFRS 17 in May 2017, it has been carrying out activities to support entities and monitor their progress in implementing the Accounting Standard. These activities helped the IASB to understand the concerns and challenges that some entities identified while implementing the Accounting Standard. The IASB considered these concerns and challenges and decided to amend IFRS 17. The objective of the amendments is to assist entities implementing the Accounting Standard, while not unduly disrupting implementation or diminishing the usefulness of the information provided by applying IFRS 17.

IFRS 17, as amended in June 2020 and December 2021, is effective for annual reporting periods beginning on or after 1 January 2023.

### ***Definition of Accounting Estimates***

*Definition of Accounting Estimates* amends IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments introduced the definition of accounting estimates and included other amendments to help entities distinguish changes in accounting estimates from changes in accounting policies.

### ***Disclosure of Accounting Policies***

*Disclosure of Accounting Policies* amends IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements*. The amendments replace the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The amendments also include guidance to help entities apply the definition of material in making decisions about accounting policy disclosures.

### ***Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

*Deferred Tax related to Assets and Liabilities arising from a Single Transaction* amends IAS 12 *Income Taxes*. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments apply to transactions such as leases and decommissioning obligations.

## Disclosure of the possible effect of issued Accounting Standards that are not yet required

This edition does not include Accounting Standards that have an effective date later than 1 January 2023.

These Accounting Standards are relevant, however, even if an entity does not intend to adopt a requirement early. Paragraph 30 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* requires an entity to disclose ‘information relevant to assessing the possible impact that application of the new IFRS [Accounting Standard] will have on the entity’s financial statements in the period of initial application’.

The table shows amendments and Accounting Standards that have an effective date after 1 January 2023.

Table—Accounting Standards and amendments issued, but not effective, as at 1 January 2023				
Standard/ amendment	When issued	Effective date (early application is possible unless otherwise noted)	Standards/ Interpretations amended	Standard withdrawn
<i>Classification of Liabilities as Current or Non-current</i> Amendment to IAS 1	January 2020	1 January 2024	IAS 1	
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> Amendments to IFRS 10 and IAS 28	September 2014	Postponed indefinitely	IFRS 10; IAS 28	
<i>Lease Liability in a Sale and Leaseback</i> Amendment to IFRS 16	September 2022	1 January 2024	IFRS 16	
<i>Non-current Liabilities with Covenants</i> Amendments to IAS 1	October 2022	1 January 2024	IAS 1	

This section summarises changes to be introduced by the documents listed in the table ‘Accounting Standards and amendments issued, but not effective, as at 1 January 2023’.

### ***Classification of Liabilities as Current and Non-current and Classification of Liabilities as Current and Non-current—Deferral of Effective Date***

*Classification of Liabilities as Current or Non-current* clarifies a criterion in IAS 1 *Presentation of Financial Statements* for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period.

*Classification of Liabilities as Current or Non-current – Deferral of Effective Date* was issued in July 2020 and deferred the mandatory effective date of *Classification of Liabilities as Current or Non-current* to annual reporting periods beginning on or after 1 January 2023. *Non-current Liabilities with Covenants* was issued in October 2022 and further deferred the effective date to annual reporting periods beginning on or after 1 January 2024.

### ***Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, which amends IFRS 10 and IAS 28, was issued in September 2014. The amendments address the conflict between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* when accounting for the sale or contribution of a subsidiary to a joint venture or associate (resulting in the loss of control of the subsidiary). In December 2015 the IASB deferred the effective date of this amendment indefinitely.

### ***Lease Liability in a Sale and Leaseback***

*Lease Liability in a Sale and Leaseback* amends IFRS 16 *Leases* by adding subsequent measurement requirements for sale and leaseback transactions.

### ***Non-current Liabilities with Covenants***

*Non-current Liabilities with Covenants* amends IAS 1 *Presentation of Financial Statements*. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.