Standards Issued and Effective Dates

Introduction

The following is a summary of new standards and pronouncements that are in issue and effective in the 2014 sets of financial statements of entities or thereafter. Preparers should take note of these amendments during the preparation of their annual financial statements or when planning forthcoming data capturing requirements.

Standards Issued and Effective on or after 1 January 2014

	Standard	Change
1	IFRS 10, IFRS 12 & IAS 27 Investment Entities	Amends IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements to provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement.
2	IAS 36 Recoverable Amount Disclosures for Non-Financial Assets	Amends IAS 36 Impairment of Assets to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.
3	IAS 39 and IFRS 9 Novation of Derivatives and Continuation of Hedge Accounting	Amends IAS 39 and IFRS 9 to make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.
4	IAS 32 Offsetting Financial Assets and Financial Liabilities	Additional application guidance added for offsetting in accordance with IAS 32. The guidance clarifies: a) the meaning of 'currently has a legally enforceable right of set-off'; and b) that some gross settlement systems may be considered equivalent to net settlement

Interpretations Issued and Effective on or after 1 January 2014

	Interpretation	Change
1	IFRIC 21 Levies	Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. It provides the following guidance on recognition of a liability to pay levies: • The liability is recognised progressively if the obligating event occurs over a period of time. • If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

Standards Issued and Effective on or after 1 July 2014

	Standard	Change
1	IAS 19 Defined Benefit Plans: Employee Contributions	Additional guidance added to IAS 19 Employee Benefits on accounting for contributions from employees or third parties set out in the formal terms of a defined benefit plan.
2	IFRS 1: Meaning of 'effective IFRSs'	Amendments to the Basis of Conclusion clarify the meaning of “effective IFRSs”.
3	IFRS 2: Definition of vesting condition	Amendments added the definitions of performance conditions and service conditions and amended the definitions of vesting conditions and market conditions.
4	IFRS 3: Accounting for contingent consideration in a business combination	Amendments to the measurement requirements for all contingent consideration assets and liabilities including those accounted for under IFRS 9.
5	IFRS 3: Scope exceptions for joint ventures	Amendments to the scope paragraph for the formation of a joint arrangement.
6	IFRS 8: Aggregation of operating segments & Reconciliation of the total of the reportable segments' assets to the entity's assets	Amendments to some disclosure requirements regarding the judgements made by management in applying the aggregation criteria, as well as the disclosure requirements relating to certain reconciliations.
8	IFRS 13: Short-term receivables and payables	Amendments clarify the measurement requirements for short-term receivables and payables with no stated interest rate at invoice amounts without discounting when the effect of discounting is immaterial.
9	IFRS 13: Scope of paragraph 52 (portfolio exception)	Amendments clarify that the portfolio exception applies to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9.
10	IAS 16: Revaluation method ~ proportionate restatement of accumulated depreciation	Amendments to the Revaluation method – proportionate restatement of accumulated depreciation.
11	IAS 24: Key management personnel services	Amendments to the definitions and disclosure requirements for key management personnel.
12	IAS 38: Revaluation method ~ proportionate restatement of accumulated amortisation	Amendments to the Revaluation method – proportionate restatement of accumulated amortisation.
13	IAS 40: Clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property	Amendments clarify the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

Standards Issued and Effective on or after 1 January 2016

	Standard	Change
1	IFRS 5: Changes in methods of disposal	Amendments clarify that if an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution to owners, or vice-versa, then the change in classification is considered a continuation of the original plan of disposal.
2	IFRS 7: Servicing contracts & Applicability of the amendments to IFRS 7 to condensed interim financial statements	Amendments clarify the meaning of “continuing involvement” in a transferred financial asset. Amendments also clarify that previous amendments to IFRS 7 (concerning offsetting) are not specifically required for all interim periods and should be dealt with in terms of IAS34.p15
3	IFRS 10 & 12 and IAS 28: Investment Entities ~	Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities.

	Applying the Consolidated Exception	The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.
4	IFRS 10 & IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Clarification was provided on the treatment where a parent loses control of a subsidiary as a result of a transaction involving an associate or a joint venture.
5	IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	Amendments adding new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions.
6	IFRS 14: Regulatory Deferral Accounts	IFRS 14 permits first-time adopters to continue to recognise amounts related to its rate regulated activities in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that apply IFRS and do not recognise such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the Standard.
7	IAS 1: Disclosure Initiative	Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that entities should use professional judgement in determining where and in what order information is presented in the financial disclosures.
8	IAS 16 & 38: Clarification of Acceptable Methods of Depreciation and Amortisation	Amendment to both IAS 16 and IAS 38 clarifying, that when applying the principle of “the basis of depreciation and amortisation is the expected pattern of consumption of the future economic benefits of an asset”, revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets. Additionally further clarified the basis for the calculation of depreciation and amortisation.
9	IAS 16 & 41: Agriculture ~ Bearer Plants	Amendments to IAS 16 and IAS 41 which defines bearer plants and includes bearer plants in the scope of IAS 16 Property, Plant and Equipment, rather than IAS 41 allowing such assets to be accounted for after initial recognition in accordance with IAS 16.
10	IAS 19: Discount rate ~ regional market issue	Clarification given that when looking at a deep market in terms of the standard the deep market requirement applies to the currency as a whole and not to a specific country.
11	IAS 27: Equity Method in Separate Financial Statements	Amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.
12	IAS 34: Disclosure of information 'elsewhere in the interim financial report'	Clarified that some disclosures required may be presented by cross-reference to other statement(s) that are available to the users of the financial statements on the same terms as the interim financial statements and at the same time.

Standards Issued and Effective on or after 1 January 2017

	Standard	Change
1	IFRS 15 Revenue from Contracts from Customers	The objective of the new standard is to establish principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard introduces a revenue model in which the core principle is that an entity should recognise revenue to depict the transfer of promised goods or

		services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For further information please see the IFRS 15 Snapshots and Summaries

Standards Issued and Effective on or after 1 January 2018

	Standard	Change
1	IFRS 9 Financial Instruments	The final version of IFRS 9 has been released and replaces in its entirety IAS 39. The new standard includes (not exhaustive): • A new model for hedge accounting aimed at aligning the accounting treatment with the risk management activities of the entity. • A new single impairment model applied to all financial instruments. • An "expected credit loss" model for measurement of financial assets. This release supersedes previous versions of IFRS 9 but these previous versions remain available for application if the date of application is before 1 February 2015. Entities can also choose to apply the "Own Credit" changes in isolation at any time without needing to adopt the other provisions of IFRS 9.

In conclusion

Preparers should note that IAS 8 requires an entity to disclose:

- the effects of adoption of a standard, amendment or pronouncement that is mandatory for the first time in the financial year presented. The disclosure required includes the title of the standard, nature of the change in accounting policy, the impact of the change and transitional provisions including any retrospective impacts.
- where an entity has not applied the requirements of a new standard, amendment or pronouncement that has been issued but is not effective/mandatory, the standard/pronouncement in question, the known or reliably measured impact of adoption of the change, the date that the change is effective and the date that the entity expects to adopt the change. The standard requires an entity that has not fully evaluated the impact to make a statement to that effect.