

# Straight away

## IFRS bulletin from PricewaterhouseCoopers

### IASB release ED/2009/11 Improvements to IFRSs

#### What is the issue?

Each year the IASB seeks to improve IFRSs through consultation with users. Amendments this year are proposed to 10 standards and one IFRIC: IFRS 1, IFRS 3, IFRS 5, IFRS 7, IAS 1, IAS 8, IAS 27, IAS 28, IAS 34 and IAS 40, and IFRIC 13. The amendments application dates vary, from 'when approved', 1 July 2010 or 1 January 2011.

#### Am I affected?

These are seemingly minor changes. However, if you are affected, the change could be significant. Please read the improvements exposure draft with close attention.

#### What do I need to do?

IFRS 1 – A first-time adopter that changes its accounting policies or its use of exemptions in IFRS 1 after it has published its interim financial information in accordance with IAS 34 should explain those changes and include them in its opening reconciliations in their year-end reporting.

IFRS 1 – The exemption to use a 'deemed cost' arising from a revaluation that was triggered by an event such as a privatisation that occurred at or before the date of transition to IFRS will be extended to revaluations occurring in all periods covered by the first IFRS financial statements.

IFRS 3 – The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets will apply only to instruments that are entitled to a share of the net assets. If not entitled, the instruments should be measured at fair value.

IFRS 3 – The application guidance in IFRS will apply to all share-based payment transactions that are part of a business combination.

IFRS 5 – An entity classifies its interest in an associate or a jointly controlled entity as held for sale when it is committed to a sale plan involving loss of significant influence or joint control.

IFRS 7 – The Board proposes seven small changes/clarifications for the disclosure of financial instruments.

IAS 1 – The components of the changes in equity do not need to be in both the statement of changes in equity and in the notes. Once is enough!

IAS 8 – Changes only in the terminology .

IAS 27 – An investor is to apply the IAS 39 impairment provisions when testing its own investments; the consequential amendments to IAS 21, IAS 28 and IAS 31 as a result of IFRS 3 (2008) will require prospective application.

IAS 28 – Different measurement bases can be applied to portions of an investment in an associate if on initial recognition part of it was designated as at fair value through the income statement.

IAS 34 – IAS 34 will change, to cover 'Significant events and transactions', instead of 'Selected explanatory notes.' This will involve significant changes, including updating the equivalent information from the last annual report. Other changes include some IFRS 7 disclosures being mandated.

IAS 40 – Investment property being developed for sale will have a new heading in the statement of financial position. It will no longer be carried in inventory.

IFRIC 13 – The meaning of the term 'fair value' is clarified.

The Board is seeking comments by 24 November 2009 and we encourage you to reply. The IASB asks respondents to send their comments electronically to the IASB website ([www.iasb.org](http://www.iasb.org)) using the 'Open to Comments' page.