



C N K IFRS/Ind AS Update

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International Accounting Standard Board (IASB) Updates

Narrow scope amendments to IFRS 9 and IAS 28

The IASB has issued amendments to IFRS 9 *Financial Instruments* and to IAS 28 *Investments in Associates and Joint Ventures* to aid implementation.

The amendments to –

- ♦ **IFRS 9-** allow companies to measure particular pre-payable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.
- ♦ **IAS 28-** clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9.

The amendments are **effective from 1st January 2019**, with early application permitted.

For details refer: <http://www.ifrs.org/news-and-events/2017/10/international-accounting-standards-board-issues-narrow-scope-amendments-to-ifrs-9-and-ias-28/>

IASB to issue annual improvements to IFRS Standards

The IASB has issued *Annual Improvements to IFRS® Standards 2015–2017 Cycle*, which makes narrow-scope amendments to 4 IFRS Standards.

Annual improvements are part of the IASB's process for maintaining IFRS Standards and contain Interpretations that are minor or narrow in scope

Amendments made as part of this process either clarify the wording in an IFRS Standard or correct relatively minor oversights or conflicts between existing requirements of IFRS Standards.

The amendments made during the 2015–2017 cycle are-

Amended Standard	The amendments clarify that-
IFRS 3 <i>Business Combinations</i>	A company re-measures its previously held interest in a joint operation when it obtains control of the business
IFRS 11 <i>Joint Arrangements</i>	A company does not re-measure its previously held interest in a joint operation when it obtains joint control of the business

Amended Standard	The amendments clarify that-
IAS 12 <i>Income Taxes</i>	A company accounts for all income tax consequences of dividend payments in the same way
IAS 23 <i>Borrowing Costs</i>	A company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale

The amendments are **effective from 1st January 2019**, with early application permitted.

For details refer: <http://www.ifrs.org/news-and-events/2017/12/international-accounting-standards-board-issues-annual-improvements-to-ifrs-standards/>

SME Implementation Group (SMEIG) Q&A guidance published on accounting for financial guarantee contracts

The SMEIG has issued Q&A guidance on accounting for financial guarantee contracts. The guidance advises issuers through the example of a parent entity issuing a financial guarantee contract on behalf of its subsidiary

For details refer: <http://www.ifrs.org/-/media/feature/groups/smes/qas/final-q-and-a-2017-12.pdf?la=en&hash=797CDEAAC84496DE41BFE77682677BD11A345805>

Effective dates of amendments to IFRS/IAS issued in 2017

IFRS

IFRS	Pronouncements	Issued	Effective dates for annual periods beginning on or after	Corresponding Ind AS
IFRS 3- <i>Business Combination</i>	Amendments resulting from Annual Improvements 2015–2017 Cycle (re-measurement of previously held interest)	December 2017	1 st January 2019	Ind AS 103
IFRS 9- <i>Financial Instruments</i>	Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	October 2017	1 st January 2019	Ind AS 109

IFRS	Pronouncements	Issued	Effective dates for annual periods beginning on or after	Corresponding Ind AS
IFRS 11- <i>Joint Arrangements</i>	Amendments resulting from Annual Improvements 2015–2017 Cycle (re-measurement of previously held interest)	December 2017	1 st January 2019	Ind AS 111
IFRS 17- <i>Insurance Contracts</i>	Original issue	May 2017	1 st January 2021	Not yet issued

IAS

IAS	Pronouncements	Issued	Effective dates for annual periods beginning on or after	Corresponding Ind AS
IAS 12- <i>Income Taxes</i>	Amendments resulting from Annual Improvements 2015–2017 Cycle (income tax consequences of dividends)	December 2017	1 st January 2019	Ind AS 12
IAS 23- <i>Borrowing Costs</i>	Amendments resulting from Annual Improvements 2015–2017 Cycle (borrowing costs eligible for capitalisation)	December 2017	1 st January 2019	Ind AS 23
IAS 28- <i>Investments in Associates and Joint Ventures</i>	Amendments regarding long-term interests in associates and joint ventures	October 2017	1 st January 2019	Ind AS 111

New and revised pronouncements as at 31st December 2017

The table below provides a summary of the pronouncements which will be **mandatorily applied** by entities for the **first time for the year ended on 31st December 2017**, for various quarterly reporting periods:

Pronouncement	Effective Date	Corresponding Ind AS
<u>Amendments</u>		
Recognition of Deferred Tax Assets for Unrealised Losses (<i>Amendments to LAS 12</i>)	1 st	Ind AS 12
Disclosure Initiative (<i>Amendments to LAS 7</i>)	January 2017	Ind AS 7
Annual Improvements to IFRS Standards 2014–2016 Cycle – (<i>Amendments to IFRS 12</i>)		Ind AS 112

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Indian Accounting Standard (Ind AS)

(IFRS as applicable in India with certain carve-outs)

ICAI Releases

Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 12

The ITFG has considered the various Ind AS implementation issues received from the members and, after due deliberations, issued various clarifications through its bulletin 12.

For details refer: <https://resource.cdn.icai.org/47468indas37250.pdf>

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