
IFRS® Interpretations Committee meeting

Date	November 2024
Project	Agenda Decisions and IFRS 18
Topic	Update
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Objective of this paper

1. At the [September 2024](#) meeting of the IFRS Interpretations Committee (Committee) we asked if you had questions or comments about how we planned to update (our planned approach) the annotations of agenda decisions in the annotated versions of the IFRS Accounting Standards (Bound Volumes) due to the issuance of IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18).
2. At that meeting, a few Committee members raised concerns about our planned approach, particularly for agenda decisions that include and analyse requirements in IAS 1 *Presentation of Financial Statements* that have not been brought forward unchanged to IFRS 18.
3. In this paper, we share with the Committee:
 - (a) the changes to our planned approach; and
 - (b) next steps.
4. The appendices to this agenda paper reproduces some (or relevant extracts from some) agenda decisions. **New text is underlined.**

Changes to our planned approach

5. Some agenda decisions refer to and analyse requirements in IAS 1 that have not been brought forward unchanged to IFRS 18. The relevant agenda decisions, listed in descending order based their date of publication are:
- (a) [Demand Deposits with Restrictions on Use arising from a Contract with a Third Party](#) (April 2022);
 - (b) [Supply Chain Financing Arrangements—Reverse Factoring](#) (December 2020);
 - (c) [Presentation of Liabilities or Assets Related to Uncertain Tax Treatments](#) (September 2019);
 - (d) [Disclosure of Changes in Liabilities Arising from Financing Activities](#) (September 2019);
 - (e) [Subsequent Expenditure on Biological Assets](#) (September 2019);
 - (f) [Presentation of payments on non-income taxes](#) (July 2012);
 - (g) [Classification of tonnage taxes](#) (May 2009); and
 - (h) [Normal operating cycle](#) (June 2005).
6. Because the Committee did not discuss the application of the new requirements of IFRS 18 we do not plan to retain unchanged the Committee’s conclusions on these requirements in the annotations of the affected agenda decisions.
7. When we discussed this with you at your meeting in September 2024, in the annotations of agenda decisions in the Bound Volumes for issued IFRS Accounting Standards, we were planning to:
- (a) delete references to requirements in IAS 1 not brought forward unchanged to IFRS 18, and the Committee’s conclusion regarding the application of those requirements; and
 - (b) add staff annotations in the form of bracketed text to explain the deletion and to also refer readers to the new requirements in IFRS 18.

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8. However, having considered this matter further, in the annotations of agenda decisions in the **Bound Volumes for 2025 and 2026**, we are now planning:
- (a) to not delete references to requirements in IAS 1 and the accompanying Committee’s conclusions; and
 - (b) to not add staff annotations in the form of bracketed text to explain the deletion and to also refer readers to the new requirements in IFRS 18, but instead add staff annotations that explain that the requirements in IAS 1 have not been carried forward unchanged to IFRS 18. Therefore, the Committee’s conclusions regarding the application of those requirements in IAS 1 might not apply to the requirements in IFRS 18.
9. Appendix B to this paper illustrates what the annotated version of the agenda decisions listed in paragraph 5 will look like.
10. As we reported in September 2024, we still plan:
- (a) to withdraw the agenda decision ‘[IAS 1 Presentation of Financial Statements—issues related to the application of IAS 1](#)’ (May 2014). IFRS 18 addresses the application questions raised in the agenda decision. Appendix A to this paper reproduces that agenda decision.
 - (b) to include staff annotations for updated references in the agenda decisions that refer to:
 - (i) requirements in IAS 1 that have been brought forward unchanged to IFRS 18, IAS 8 and IFRS 7.
 - (ii) requirements in other IFRS Accounting Standards that were consequentially amended by IFRS 18 (for example, [Disclosure of Revenues and Expenses for Reportable Segments \(IFRS 8 Operating Segments\)](#)).
11. Appendix C to this paper includes extracts from all these agenda decisions, listed in descending order based their date of publication.

Next steps

12. At a future meeting, we plan to ask the Committee about your experiences with the effect of implementing IFRS 18 on the usefulness of the agenda decisions listed in paragraph 5. Your input will inform our approach for making updates to the authoritative text of those agenda decisions as they appear on our [website](#) when IFRS 18 becomes effective.

Questions for the Committee

Does the Committee have any questions or comments?

Appendix A—Agenda decision to be withdrawn

IFRIC[®] Update, May 2014

IAS 1 Presentation of Financial Statements (May 2014)

Issues related to the application of IAS 1

The Interpretations Committee received a request to clarify the application of some of the presentation requirements in IAS 1. The submitter expressed a concern that the absence of definitions in IAS 1 and the lack of implementation guidance give significant flexibility that may impair the comparability and understandability of financial statements. The submitter provided examples in the following areas:

- (a) presentation of expenses by function;
- (b) presentation of additional lines, headings and subtotals;
- (c) presentation of additional statements or columns in the primary statements; and
- (d) application of the materiality and aggregation requirements.

The Interpretations Committee observed that a complete set of financial statements is comprised of items recognised and measured in accordance with IFRS.

The Interpretations Committee noted that IAS 1 addresses the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. It also noted that while IAS 1 does permit flexibility in presentation, it also includes various principles for the presentation and content of financial statements as well as more detailed requirements. These principles and more detailed requirements are intended to limit the flexibility such that financial statements present information that is relevant, reliable, comparable and understandable.

The Interpretations Committee observed that securities regulators, as well as some members of the Interpretations Committee, were concerned about the presentation of information in the financial statements that is not determined in accordance with IFRS. They were particularly

concerned when such information is presented on the face of the primary statements. The Interpretations Committee noted that it would be beneficial if the IASB's Disclosure Initiative considered what guidance should be given for the presentation of information beyond what is required in accordance with IFRS.

Consequently, the Interpretations Committee determined that it should not propose an Interpretation nor an amendment to a Standard and consequently decided not to add this issue to its agenda. [In December 2014 the Board issued '*Disclosure Initiative—Amendments to IAS 1*' which made a number of changes to IAS 1, including adding paragraphs 30A, 55A, 85A and 85B to IAS 1]

Appendix B—Agenda decisions to be updated

IFRIC[®] Update, March 2022

**Demand Deposits with Restrictions on Use arising from a Contract with a Third Party
(IAS 7 Statement of Cash Flows)**

...

IAS 7 and IAS 1 *Presentation of Financial Statements* [now IFRS 18 *Presentation and Disclosure in Financial Statements*] indicate that amounts included in cash and cash equivalents may be subject to restrictions, namely:

...

- b. paragraph 66(d) of IAS 1 [now paragraph 99(d) of IFRS 18] requires an entity to classify as current an asset that is ‘cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period’.

...

Presentation in the statement of financial position

[Paragraph 54(i) of IAS 1 requires an entity to include a line item in its statement of financial position that presents the amount of ‘cash and cash equivalents’. Paragraph 55 of IAS 1 states ‘an entity shall present additional line items (including by disaggregating the line items listed in paragraph 54) ... in the statement of financial position when such presentation is relevant to an understanding of the entity’s financial position’.

Therefore, the Committee concluded that, in the fact pattern described in the request, the entity presents the demand deposit as cash and cash equivalents in its statement of financial position. When relevant to an understanding of its financial position, the entity would disaggregate the ‘cash and cash equivalents’ line item and present the demand deposit separately in an additional line item.] [The requirements in IAS 1 referred to in these paragraphs are not all brought forward unchanged to IFRS 18. The Committee’s conclusion regarding the application of the requirements in IAS 1 might not apply to the requirements in IFRS 18.]

An entity that presents assets as current or non-current would classify the demand deposit as current applying paragraph 66(d) of IAS 1 [now paragraph 99(d) of IFRS 18], unless the demand deposit is ‘restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period’.

Disclosures

Paragraph 45 of IAS 7 states that ‘an entity shall disclose the components of cash and cash equivalents...’. Applying this requirement, in the fact pattern described in the request, the entity discloses the demand deposit as a component of cash and cash equivalents. The entity also considers whether to disclose additional information:

...

- b. if the information it provides in applying the disclosure requirements in IAS 7 and IFRS 7 is insufficient to enable users of financial statements to understand the impact of the restrictions on the entity’s financial position (paragraph 31 of IAS 1 [now paragraph 20 of IFRS 18]).

...

IFRIC[®] Update, December 2020

Supply Chain Financing Arrangements—Reverse Factoring

...

Presentation in the statement of financial position

IAS 1 *Presentation of Financial Statements* [now IFRS 18 *Presentation and Disclosure in Financial Statements*] specifies how an entity is required to present its liabilities in the statement of financial position.

[Paragraph 54 of IAS 1 requires an entity to present ‘trade and other payables’ separately from other financial liabilities. ‘Trade and other payables’ are sufficiently different in nature or function from other financial liabilities to warrant separate presentation (paragraph 57 of IAS 1). Paragraph 55 of IAS 1 requires an entity to present additional line items (including by disaggregating the line items listed in paragraph 54) when such presentation is relevant to an

understanding of the entity's financial position. Consequently, an entity is required to determine whether to present liabilities that are part of a reverse factoring arrangement:

- a. within trade and other payables;
- b. within other financial liabilities; or
- c. as a line item separate from other items in its statement of financial position.

Paragraph 11(a) of IAS 37 Provisions, Contingent Liabilities and Contingent Assets states that 'trade payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier'. Paragraph 70 of IAS 1 explains that 'some current liabilities, such as trade payables... are part of the working capital used in the entity's normal operating cycle'. The Committee therefore concluded that an entity presents a financial liability as a trade payable only when it:

- a. represents a liability to pay for goods or services;
- b. is invoiced or formally agreed with the supplier; and
- c. is part of the working capital used in the entity's normal operating cycle.

Paragraph 29 of IAS 1 requires an entity to 'present separately items of a dissimilar nature or function unless they are immaterial'. Paragraph 57 specifies that line items are included in the statement of financial position when the size, nature or function of an item (or aggregation of similar items) is such that separate presentation is relevant to an understanding of the entity's financial position. Accordingly, the Committee concluded that, applying IAS 1, an entity presents liabilities that are part of a reverse factoring arrangement:

- a. as part of 'trade and other payables' only when those liabilities have a similar nature and function to trade payables—for example, when those liabilities are part of the working capital used in the entity's normal operating cycle.
- b. separately when the size, nature or function of those liabilities makes separate presentation relevant to an understanding of the entity's financial position. In assessing whether it is required to present such liabilities separately (including whether to disaggregate trade and other payables), an entity considers the amounts, nature and timing of those liabilities (paragraphs 55 and 58 of IAS 1).

The Committee observed that an entity assessing whether to present liabilities that are part of a reverse factoring arrangement separately might consider factors including, for example:

- a. whether additional security is provided as part of the arrangement that would not be provided without the arrangement.
- b. the extent to which the terms of liabilities that are part of the arrangement differ from the terms of the entity's trade payables that are not part of the arrangement. [The requirements in IAS 1 referred to in these paragraphs are not all brought forward unchanged to IFRS 18. The Committee's conclusion regarding the application of the requirements in IAS 1 might not apply to the requirements in IFRS 18.]

Derecognition of a financial liability

...

An entity that derecognises a trade payable to a supplier and recognises a new financial liability to a financial institution applies IAS 1 [now IFRS 18] in determining how to present that new liability in its statement of financial position (see 'Presentation in the statement of financial position').

...

Notes to the financial statements

...

An entity applies judgement in determining whether to provide additional disclosures in the notes about the effect of reverse factoring arrangements on its financial position, financial performance and cash flows. The Committee observed that:

- a. assessing how to present liabilities and cash flows related to reverse factoring arrangements may involve judgement. An entity discloses the judgements that management has made in this respect if they are among the judgements made that have the most significant effect on the amounts recognised in the financial statements (paragraph 122 of IAS 1 [now paragraph 27G of IAS 8 *Basis of Preparation of Financial Statements*]).
- b. reverse factoring arrangements may have a material effect on an entity's financial statements. An entity provides information about reverse factoring arrangements in its financial statements to the extent that such information is relevant to an understanding of any of those financial statements (paragraph 112 of IAS 1 [now paragraph 113 of IFRS 18]).

The Committee noted that making materiality judgements involves both quantitative and qualitative considerations.

...

IFRIC[®] Update, September 2019

**Presentation of Liabilities or Assets Related to Uncertain Tax Treatments (IAS 1
Presentation of Financial Statements)**

...

Presentation of uncertain tax liabilities (or assets)

Neither IAS 12 nor IFRIC 23 contain requirements on the presentation of uncertain tax liabilities or assets. Therefore, the presentation requirements in IAS 1 [now IFRS 18 *Presentation and Disclosure in Financial Statements*] apply. Paragraph 54 of IAS 1 states that ‘the statement of financial position shall include line items that present: ... (n) liabilities and assets for current tax, as defined in IAS 12; (o) deferred tax liabilities and deferred tax assets, as defined in IAS 12...’ [now paragraphs 103(q) and 103(r) of IFRS 18].

[Paragraph 57 of IAS 1 states that paragraph 54 ‘lists items that are sufficiently different in nature or function to warrant separate presentation in the statement of financial position’. Paragraph 29 requires an entity to ‘present separately items of a dissimilar nature or function unless they are immaterial’.

Accordingly, the Committee concluded that, applying IAS 1, an entity is required to present uncertain tax liabilities as current tax liabilities (paragraph 54(n)) or deferred tax liabilities (paragraph 54(o)); and uncertain tax assets as current tax assets (paragraph 54(n)) or deferred tax assets (paragraph 54(o)). [The requirements in IAS 1 referred to in these paragraphs are not all brought forward unchanged to IFRS 18. The Committee’s conclusion regarding the application of the requirements in IAS 1 might not apply to the requirements in IFRS 18.]

...

IFRIC[®] Update, September 2019**Disclosure of Changes in Liabilities Arising from Financing Activities (IAS 7 *Statement of Cash Flows*)**

...

Reconciling between the opening and closing balances of liabilities arising from financing activities

...

[The Committee observed that an entity applies judgement in determining the extent to which it disaggregates and explains the changes in liabilities arising from financing activities included in the reconciliation to meet the objective in paragraph 44A. In this respect, the Committee noted the following:

- a. in disaggregating liabilities arising from financing activities, and cash and non-cash changes in those liabilities, an entity applies paragraph 44B of IAS 7 and paragraph 30A of IAS 1 *Presentation of Financial Statements*. Paragraph 30A of IAS 1 states that an entity ‘shall not reduce the understandability of its financial statements...by aggregating material items that have different natures or functions’. Accordingly, an entity discloses any individually material items separately in the reconciliation. Such items include material classes of liability (or asset) arising from financing activities and material reconciling items (ie cash or non-cash changes).
- b. in explaining liabilities arising from financing activities, and cash and non-cash changes in those liabilities, an entity applies paragraph 44B of IAS 7 and paragraph 112(c) of IAS 1. Paragraph 112(c) of IAS 1 requires an entity to disclose ‘information that is not presented elsewhere in the financial statements, but is relevant to an understanding of any of them’. Accordingly, applying paragraphs 44A–44E, an entity determines the appropriate structure for its reconciliation including the appropriate level of disaggregation. Thereafter, the entity determines whether additional explanation is needed to meet the disclosure objective in paragraph 44A. An entity would explain each class of liability (or asset) arising from financing activities included in the reconciliation and each reconciling item in a way that (i) provides information about its sources of finance, (ii) enables investors to check their understanding of the entity’s cash flows, and (iii) enables investors to link items to the statement of financial position and the statement of cash flows, or related notes.] [The

requirements in IAS 1 referred to in these paragraphs are not all brought forward unchanged to IFRS 18 *Presentation and Disclosure in Financial Statements*. The Committee's conclusion regarding the application of the requirements in IAS 1 might not apply to the requirements in IFRS 18.]

Accordingly, the Committee concluded that the principles and requirements in IFRS Standards provide an adequate basis for an entity to disclose information about changes in liabilities arising from financing activities that enables investors to evaluate those changes. Accordingly, the Committee concluded that the disclosure requirements in paragraphs 44B–44E of IAS 7, together with requirements in IAS 1 [now IFRS 18], are adequate to require an entity to provide disclosures that meet the objective in paragraph 44A of IAS 7. Consequently, the Committee decided not to add the matter to its standard-setting agenda.

IFRIC[®] Update, September 2019

Subsequent Expenditure on Biological Assets (IAS 41 *Agriculture*)

...

[Accordingly, the Committee concluded that, applying IAS 41, an entity either capitalises subsequent expenditure or recognises it as an expense when incurred. The Committee observed that capitalising subsequent expenditure or recognising it as an expense has no effect on the fair value measurement of biological assets nor does it have any effect on profit or loss; however, it affects the presentation of amounts in the statement of profit or loss. In assessing how to present such subsequent expenditure in the statement of profit or loss, an entity would apply the requirements in paragraphs 81–105 of IAS 1 *Presentation of Financial Statements*. In particular, the Committee observed that the entity would:

- a. applying paragraph 85, ‘present additional line items (including by disaggregating the line items listed in paragraph 82), headings and subtotals in the statement(s) presenting profit or loss and other comprehensive income when such presentation is relevant to an understanding of the entity’s financial performance’; and
- b. applying paragraph 99, present in the statement(s) presenting profit or loss and other comprehensive income or in the notes an analysis of expenses recognised in profit or loss using a classification based on either their nature or their function within the entity,

whichever provides information that is reliable and more relevant.] [The requirements in IAS 1 referred to in these paragraphs are not all brought forward unchanged to IFRS 18 *Presentation and Disclosure in Financial Statements*. The Committee's conclusion regarding the application of the requirements in IAS 1 might not apply to the requirements in IFRS 18.]

Applying paragraph 13 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [now IAS 8 *Basis of Preparation of Financial Statements*], an entity would apply its accounting policy for subsequent expenditure consistently to each group of biological assets. An entity would also disclose the selected accounting policy applying paragraphs 117–124 of IAS 1 [now paragraphs 27A–27I of IAS 8] if that disclosure would assist users of financial statements in understanding how those transactions are reflected in reported financial performance.

...

IFRIC[®] Update, July 2012

IAS 1 *Presentation of Financial Statements* and IAS 12 *Income Taxes*—Presentation of payments on non-income taxes

...

[The Committee observed that the line item of 'tax expense' that is required by paragraph 82(d) of IAS 1 *Presentation of Financial Statements* is intended to require an entity to present taxes that meet the definition of income taxes under IAS 12. The Committee also noted that it is the basis of calculation determined by the relevant tax rules that determines whether a tax meets the definition of an income tax. Neither the manner of settlement of a tax liability nor the factors relating to recipients of the tax is a determinant of whether an item meets that definition.] [The requirements in IAS 1 referred to in this paragraph are not all brought forward unchanged to IFRS 18 *Presentation and Disclosure in Financial Statements*. The Committee's conclusion regarding the application of the requirements in IAS 1 might not apply to the requirements in IFRS 18.]

...The Committee considered that, in the light of its analysis of the existing requirements of IAS 1 [now IFRS 18] and IAS 12, an interpretation was not necessary and consequently decided not to add this issue to its agenda

IFRIC[®] Update, May 2009**Classification of tonnage taxes**

...

[Consequently, the IFRIC noted that such taxes would not be considered income taxes in accordance with IAS 12 and would not be presented as part of tax expense in the statement of comprehensive income. However, the IFRIC also noted that, in accordance with paragraph 85 of IAS 1 *Presentation of Financial Statements*, an entity subject to tonnage tax would present additional subtotals in that statement if that presentation is relevant to an understanding of its financial performance. Given the requirements of IAS 12, the IFRIC decided not to add the issue to its agenda.] [The requirements in IAS 1 referred to in this paragraph are not all brought forward unchanged to IFRS 18 *Presentation and Disclosure in Financial Statements*. The Committee's conclusion regarding the application of the requirements in IAS 1 might not apply to the requirements in IFRS 18.]

IFRIC[®] Update, June 2005**IAS 1 *Presentation of Financial Statements* (June 2005)****Normal operating cycle**

The IFRIC considered an issue regarding the classification of current and non-current assets by reference to an entity's normal operating cycle. It was asked whether the guidance in IAS 1.57(a) [now paragraph 99(a) of IFRS 18 *Presentation and Disclosure in Financial Statements*] was applicable only if an entity had a predominant operating cycle. This is particularly relevant to the inventories of conglomerates which, on a narrow reading of the wording, might always have to refer to the twelve-month criterion in IAS 1.57(c), rather than the operating cycle criterion.

...

[Furthermore, if inventories of different cycles were held, and it was material to readers' understanding of an entity's financial position, then the general requirement in paragraph 71 (now paragraph 57) of IAS 1 already required disclosure of further information.] [The requirements in IAS 1 referred to in this paragraph are not all brought forward unchanged to

IFRS 18. The Committee’s conclusion regarding the application of the requirements in IAS 1 might not apply to the requirements in IFRS 18.]

Appendix C—Agenda decisions to be updated with only cross-references

IFRIC[®] Update, June 2024

Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8 *Operating Segments*)

...

The request asked:

...

- b. whether an entity is required to disclose the specified amounts in paragraph 23(f) of IFRS 8 for each reportable segment if the entity presents or discloses those specified amounts applying a requirement in IFRS Accounting Standards other than paragraph 97 of IAS 1 *Presentation of Financial Statements* [now paragraph 42 of IFRS 18 *Presentation and Disclosure in Financial Statements*]; and

...

The Committee observed that there are two main aspects to the questions:

...

- b. the meaning of ‘material items of income and expense’ in the context of paragraph 97 of IAS 1 [now paragraph 42 of IFRS 18] as referenced in paragraph 23(f) of IFRS 8.

...

Material items of income and expense

Paragraph 23(f) of IFRS 8 sets out one of the required ‘specified amounts’, namely, ‘material items of income and expense disclosed in accordance with paragraph 97 of IAS 1’. Paragraph 97 of IAS 1 [now paragraph 42 of IFRS 18] states that ‘when items of income or expense are material, an entity shall disclose their nature and amount separately’.

Definition of ‘material’

Paragraph 7 of IAS 1 [now Appendix A of IFRS 18] defines ‘material’ and states ‘information is material if omitting, misstating or obscuring it could reasonably be expected to influence

decisions that the primary users of general purpose financial reports make on the basis of those financial statements, which provide financial information about a specific reporting entity’.

Paragraph 7 of IAS 1 [now paragraph B2 of IFRS 18] also states that ‘materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole’.

Aggregation of information

Paragraphs 30–31 of IAS 1 provide requirements about how an entity aggregates information in the financial statements, which include the notes. Paragraph 30A of IAS 1 states that ‘an entity shall not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions’. [now paragraphs 41–43 of IFRS 18]

Applying paragraph 23(f) of IFRS 8—material items of income and expense

The Committee observed that when IAS 1 [now IFRS 18] refers to materiality, it is in the context of ‘information’ being material. An entity applies judgement in considering whether disclosing, or not disclosing, information in the financial statements could reasonably be expected to influence decisions users of financial statements make on the basis of those financial statements.

The Committee observed that, in applying paragraph 23(f) of IFRS 8 by disclosing, for each reportable segment, material items of income and expense disclosed in accordance with paragraph 97 of IAS 1 [now paragraph 42 of IFRS 18], an entity:

- a. applies paragraph 7 of IAS 1 [Appendix A and paragraph B2 of IFRS 18] and assesses whether information about an item of income and expense is material in the context of its financial statements taken as a whole;
- b. applies the requirements in paragraphs 30–31 of IAS 1 in considering how to aggregate information in its financial statements [now paragraphs 41–43 of IFRS 18];
- c. considers the nature or magnitude of information—in other words, qualitative or quantitative factors—or both, in assessing whether information about an item of income

and expense is material; and d. considers circumstances including, but not limited to, those in paragraph 98 of IAS 1 [now paragraph B79 of IFRS 18].

...

IFRIC[®] Update, September 2023

IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments*—Premiums Receivable from an Intermediary

...

Therefore, the Committee observed that, in accounting for premiums receivable from an intermediary when payment by the policyholder discharges the policyholder's obligation under the insurance contract, an insurer develops and applies an accounting policy in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [now IAS 8 *Basis of Preparation of Financial Statements*] to determine when cash flows are removed from the measurement of a group of insurance contracts. The insurer could determine that cash flows are removed when the cash flows are recovered or settled in cash (View 1), or when the policyholder's obligation under the insurance contract is discharged (View 2).

...

...

IFRIC[®] Update, September 2022

IFRS 17 *Insurance Contracts* and IAS 21 *The Effects of Changes in Foreign Exchange Rates*—Multi-currency Groups of Insurance Contracts

...

The entity develops an accounting policy on currency denomination that results in information that is relevant and reliable (as described in paragraph 10 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [now IAS 8 *Basis of Preparation of Financial Statements*]) and is applied consistently for similar transactions, other events and conditions (paragraph 13 of IAS 8). The accounting policy is developed based on the entity's specific

circumstances and the terms of the contracts in the group. The entity cannot simply presume that the contractual service margin for the group is denominated in the functional currency. Such a presumption would, in effect, fail to treat the contractual service margin as a monetary item as required by paragraph 30 of IFRS 17.

...

IFRIC[®] Update, April 2022

IFRS 15 *Revenue from Contracts with Customers*—Principal versus Agent: Software Reseller

...

The Committee also observed that the reseller would disclose (a) material accounting policy information in accordance with IAS 1 *Presentation of Financial Statements* [now IAS 8 *Basis of Preparation of Financial Statements*], and (b) information required by IFRS 15, including about its performance obligations (paragraph 119) and the judgements made in applying IFRS 15 that significantly affect the determination of the amount and timing of revenue from contracts with customers (paragraph 123).

...

IFRIC[®] Update, February 2022

IFRS 9 *Financial Instruments* and IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*—TLTRO III Transactions

...

Given the judgements required and the risks arising from the TLTRO III tranches, a bank also needs to consider the requirements in paragraphs 117, 122 and 125 of IAS 1 *Presentation of Financial Statements* [now paragraphs 27A, 27G and 31A of IAS 8 *Basis of Preparation of Financial Statements*], as well as paragraphs 7, 21 and 31 of IFRS 7 *Financial Instruments: Disclosures*. These paragraphs require a bank to disclose information that includes its significant accounting policies and management's assumptions and judgements in applying its

accounting policies that have the most significant effect on the amounts recognised in the financial statements.

...

IFRIC[®] Update, June 2021

IAS 10 *Events after the Reporting Period*—Preparation of Financial Statements when an Entity is No Longer a Going Concern

The Committee received a request about the accounting applied by an entity that is no longer a going concern (as described in paragraph 25 of IAS 1 *Presentation of Financial Statements* [now paragraph 6K of IAS 8 *Basis of Preparation of Financial Statements*]). The request asked whether such an entity:

...

Paragraph 25 of IAS 1 [now paragraph 6K of IAS 8] requires an entity to prepare financial statements on a going concern basis ‘unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so’. ...

Applying paragraph 25 of IAS 1 [now paragraph 6K of IAS 8] and paragraph 14 of IAS 10, an entity that is no longer a going concern cannot prepare financial statements (including those for prior periods that have not yet been authorised for issue) on a going concern basis.

...

IFRIC[®] Update, March 2021

IAS 38 *Intangible Assets*—Configuration or Customisation Costs in a Cloud Computing Arrangement

...

If an intangible asset is not recognised, how does the customer account for the configuration or customisation costs (Question II)?

If the customer does not recognise an intangible asset in relation to configuration or customisation of the application software, it applies paragraphs 68–70 of IAS 38 to account for those costs. The Committee observed that:

...

- b. IAS 38 includes no requirements that deal with the identification of the services the customer receives in determining when the supplier performs those services in accordance with the contract to deliver them. Paragraphs 10–11 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [now IAS 8 *Basis of Preparation of Financial Statements*] require the customer to refer to, and consider the applicability of, the requirements in IFRS Standards that deal with similar and related issues....

...

Paragraphs 117–124 of IAS 1 *Presentation of Financial Statements* [now paragraphs 27A–27I of IAS 8] require the customer to disclose its accounting policy for configuration or customisation costs when that disclosure is relevant to an understanding of its financial statements.

...

IFRIC[®] Update, March 2020

IAS 21 *The Effects of Changes in Foreign Exchange Rates* and IAS 29 *Financial Reporting in Hyperinflationary Economies—Translation of a Hyperinflationary Foreign Operation—Presenting Exchange Differences*

...

Paragraph 7 of IAS 1 *Presentation of Financial Statements* [now paragraph B87(c) of IFRS 18 *Presentation and Disclosure in Financial Statements*] states that components of OCI include ‘gains and losses arising from translating the financial statements of a foreign operation’...

IFRIC[®] Update, June 2019

IAS 19 *Employee Benefits*—Effect of a potential discount on plan classification’

...

The Committee noted that, applying paragraph 122 of IAS 1 *Presentation of Financial Statements* [now paragraph 27G of IAS 8 *Basis of Preparation of Financial Statements*], an entity would disclose the judgements that its management has made regarding the classification of post-employment benefit plans, if those are part of the judgements that had the most significant effect on the amounts recognised in the financial statements.

...

IFRIC[®] Update, June 2019

Holdings of Cryptocurrencies’

...

Disclosure

In addition to disclosures otherwise required by IFRS Standards, an entity is required to disclose any additional information that is relevant to an understanding of its financial statements (paragraph 112 of IAS 1 *Presentation of Financial Statements* [now paragraph 113(c) of IFRS 18 *Presentation and Disclosure in Financial Statements*]). In particular, the Committee noted the following disclosure requirements in the context of holdings of cryptocurrencies:

...

- c. Applying paragraph 122 of IAS 1 [now paragraph 27G of IAS 8 *Basis of Preparation of Financial Statements*], an entity discloses judgements that its management has made regarding its accounting for holdings of cryptocurrencies if those are part of the judgements that had the most significant effect on the amounts recognised in the financial statements.

...

IFRIC[®] Update, March 2019

IFRS 9 *Financial Instruments*—Physical Settlement of Contracts to Buy or Sell a Non-financial Item

...

Consequently, the Committee concluded that IFRS 9 neither permits nor requires an entity to make the additional journal entry described in the request. However, the Committee observed that an entity is required to present gains and losses on the derivative, and disclose information about those amounts, applying applicable IFRS Standards, such as IAS 1 *Presentation of Financial Statements* [now IFRS 18 *Presentation and Disclosure in Financial Statements*] and IFRS 7 *Financial Instruments: Disclosures*. In determining what line items to present in profit or loss, the requirements in IAS 1 [now IFRS 18] (including those related to aggregation) are applicable. IAS 1 does not specify requirements for the presentation of amounts related to the remeasurement of derivatives....

IFRIC[®] Update, January 2019**IAS 27 *Separate Financial Statements*—Investment in a subsidiary accounted for at cost: Step acquisition'**

...

The Committee observed that an entity would apply its reading of the requirements consistently to step acquisition transactions. An entity would also disclose the selected approach applying paragraphs 117–124 of IAS 1 *Presentation of Financial Statements* [now paragraphs 27A–27I of IAS 8 *Basis of Preparation of Financial Statements*] if that disclosure would assist users of financial statements in understanding how step acquisition transactions are reflected in reporting financial performance and financial position.

Question B

In applying the accumulated cost approach, any difference between the fair value of the initial interest at the date of obtaining control of the subsidiary and its original consideration meets the definitions of income or expenses in the *Conceptual Framework for Financial Reporting*. Accordingly, the Committee concluded that, applying paragraph 88 of IAS 1 [now paragraph 46 of IFRS 18 *Presentation and Disclosure in Financial Statements*], the entity recognises this difference in profit or loss, regardless of whether, before obtaining control, the entity had

presented subsequent changes in fair value of the initial interest in profit or loss or other comprehensive income.

...

IFRIC[®] Update, January 2019

IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Deposits relating to taxes other than income tax

...

The Committee observed that if the tax deposit gives rise to an asset, that asset may not be clearly within the scope of any IFRS Standard. Furthermore, the Committee concluded that no IFRS Standard deals with issues similar or related to the issue that arises in assessing whether the right arising from the tax deposit meets the definition of an asset. Accordingly, applying paragraphs 10–11 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [now IAS 8 *Basis of Preparation of Financial Statements*], the Committee referred to the two definitions of an asset in IFRS literature—the definition in the *Conceptual Framework for Financial Reporting* issued in March 2018 and the definition in the previous *Conceptual Framework* that was in place when many existing IFRS Standards were developed...

IFRIC[®] Update, March 2018

Presentation of interest revenue for particular financial instruments (IFRS 9 *Financial Instruments* and IAS 1 *Presentation of Financial Statements*)

The Committee received a request about the effect of the consequential amendment that IFRS 9 made to paragraph 82(a) of IAS 1 [now paragraph 75(b)(i) of IFRS 18 *Presentation and Disclosure in Financial Statements*]...

...

Consequently, the Committee concluded that the requirement in paragraph 82(a) of IAS 1 [now paragraph 75(b)(i) of IFRS 18] to present separately an interest revenue line item calculated using the effective interest method applies only to those assets that are subsequently measured at amortised cost or fair value through other comprehensive income (subject to any

effect of a qualifying hedging relationship applying the hedge accounting requirements in IFRS 9 or IAS 39).

The Committee did not consider any other presentation requirements in IAS 1 [now IFRS 18] or broader matters related to the presentation of other ‘interest’ amounts in the statement of comprehensive income. This is because the consequential amendment that IFRS 9 made to paragraph 82(a) of IAS 1 [now paragraph 75(b)(i) of IFRS 18] did not affect those matters. More specifically, the Committee did not consider whether an entity could present other interest amounts in the statement of comprehensive income, in addition to presenting the interest revenue line item required by paragraph 82(a) of IAS 1.

The Committee concluded that the principles and requirements in IFRS Standards provide an adequate basis for an entity to apply paragraph 82(a) of IAS 1 [now paragraph 75(b)(i) of IFRS 18] and present separately, in the profit or loss section of the statement of comprehensive income or in the statement of profit or loss, interest revenue calculated using the effective interest method. Consequently, the Committee decided not to add this matter to its standard-setting agenda.

IFRIC[®] Update, January 2018

Contributing property, plant and equipment to an associate (IAS 28 *Investments in Associates and Joint Ventures*)

...

Paragraph 7 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [now IAS 8 *Basis of Preparation of Financial Statements*] requires an entity to apply an IFRS Standard to a transaction when that Standard applies specifically to the transaction. The Committee observed, therefore, that unless a Standard specifically excludes common control transactions from its scope, an entity applies the applicable requirements in the Standard to common control transactions...

IFRIC[®] Update, November 2017

Acquisition of a Group of Assets (IFRS 3 *Business Combinations*)

...

... An entity would also disclose the selected approach applying paragraphs 117–124 of IAS 1 *Presentation of Financial Statements* [now paragraphs 27A–27I of IAS 8 *Basis of Preparation of Financial Statements*] if that disclosure would assist users of financial statements in understanding how those transactions are reflected in reported financial performance and financial position.

...

IFRIC[®] Update, September 2017

IAS 12 *Income Taxes*—Interest and penalties related to income taxes

...

Nonetheless, the Committee observed that entities do not have an accounting policy choice between applying IAS 12 and applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* to interest and penalties. Instead, if an entity considers a particular amount payable or receivable for interest and penalties to be an income tax, then the entity applies IAS 12 to that amount. If an entity does not apply IAS 12 to a particular amount payable or receivable for interest and penalties, it applies IAS 37 to that amount. An entity discloses its judgement in this respect applying paragraph 122 of IAS 1 *Presentation of Financial Statements* [now paragraph 27G of IAS 8 *Basis of Preparation of Financial Statements*] if it is part of the entity’s judgements that had the most significant effect on the amounts recognised in the financial statements.

...

IFRIC[®] Update, June 2017

IAS 41 *Agriculture*—Biological assets growing on bearer plants

...

The Committee noted that paragraph 125 of IAS 1 *Presentation of Financial Statements* [now paragraph 31A of IAS 8 *Basis of Preparation of Financial Statements*] requires an entity to

disclose information about assumptions and estimates that have a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next financial year. ...

...

IFRIC[®] Update, June 2017

IFRS 9 *Financial Instruments*—Centrally cleared client derivatives

...

The Committee concluded that the clearing member first applies the requirements for financial instruments. More specifically, the Committee observed that:

...

- b. if the transaction(s) is not within the scope of IFRS 9 (IAS 39) and another IFRS Standard does not specifically apply, only then would the clearing member apply the hierarchy in paragraphs 10–12 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [now IAS 8 *Basis of Preparation of Financial Statements*] to determine an appropriate accounting policy for the transaction(s).

...

IFRIC[®] Update, March 2017

Commodity loans

...

The Committee observed that the particular transaction in the submission might not be clearly captured within the scope of any IFRS Standard. [*The Committee observed, however, that particular IFRS Standards would apply to other transactions involving commodities (for example, the purchase of commodities for use in an entity's production process, or the sale of commodities to customers).*] In the absence of a Standard that specifically applies to a transaction, an entity applies paragraphs 10 and 11 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [now IAS 8 *Basis of Preparation of Financial Statements*] in

developing and applying an accounting policy to the transaction. In doing so, paragraph 11 of ...

The Committee also observed that the requirements in paragraph 112(c) of IAS 1 *Presentation of Financial Statements* [now paragraph 113(c) of IFRS 18 *Presentation and Disclosure in Financial Statements*] are relevant if an entity develops an accounting policy applying paragraphs 10 and 11 of IAS 8 for a commodity loan transaction such as that described in the submission. In applying these requirements, an entity considers whether additional disclosures are needed to provide information relevant to an understanding of the accounting for, and risks associated with, such commodity loan transactions.

...

IFRIC[®] Update, January 2016

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*—How to present intragroup transactions between continuing and discontinued operations

...

The Interpretations Committee noted that neither IFRS 5 nor IAS 1 *Presentation of Financial Statements* [now IFRS 18 *Presentation and Disclosure in Financial Statements*] includes requirements regarding the presentation of discontinued operations that override the consolidation requirements in IFRS 10 *Consolidated Financial Statements*. ...

...

IFRIC[®] Update, January 2015

IAS 39 *Financial Instruments: Recognition and Measurement* and IAS 1 *Presentation of Financial Statements*—Income and expenses arising on financial instruments with a negative yield—presentation in the statement of comprehensive income

...The Interpretations Committee noted that in accordance with paragraphs 85 and 112(c) of IAS 1 *Presentation of Financial Statements* [now paragraph 113(c) of IFRS 18 *Presentation and Disclosure of Financial Statements*], the entity is required to present

additional information about such an amount if that is relevant to an understanding of the entity's financial performance or to an understanding of this item.

...

IFRIC[®] Update, November 2014

IAS 16 *Property, Plant and Equipment* and IAS 2 *Inventories*—Accounting for core inventories

...

The Interpretations Committee observed that what might constitute core inventories, and how they are accounted for, can vary between industries. The Interpretations Committee noted that significant judgement might be needed in determining the appropriate accounting. Disclosure about such judgements might therefore be needed in accordance with paragraph 122 of IAS 1 *Presentation of Financial Statements* [now paragraph 27G of IAS 8 *Basis of Preparation of Financial Statements*].

...

IFRIC[®] Update, July 2014

IAS 1 *Presentation of Financial Statements*—disclosure requirements relating to assessment of going concern'

...

The Interpretations Committee proposed to the IASB that it should make a narrow-scope amendment to change the disclosure requirements in IAS 1 [now IAS 8 *Basis of Preparation of Financial Statements*] in response to this issue...

...Having considered all relevant information, including the feasibility and effectiveness of any planned mitigation, management concluded that there are no material uncertainties that require disclosure in accordance with paragraph 25 of IAS 1 [now paragraph 6K of IAS 8]. However, reaching the conclusion that there was no material uncertainty involved significant judgement.

The Interpretations Committee observed that paragraph 122 of IAS 1 [now paragraph 27G of IAS 8] requires disclosure of the judgements made in applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. The Interpretations Committee also observed that in the circumstance discussed, the disclosure requirements of paragraph 122 of IAS 1 [now paragraph 27G of IAS 8] would apply to the judgements made in concluding that there remain no material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

IFRIC[®] Update, November 2013

IAS 19 *Employee Benefit*—Actuarial assumptions: discount rate'

...

The Interpretations Committee also noted that:

...

- c. an entity shall disclose the judgements that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements in accordance with paragraph 122 of IAS 1 *Presentation of Financial Statements* [now paragraph 27G of IAS 8 *Basis of Preparation of Financial Statements*]; typically the identification of the HQCB population used as a basis to determine the discount rate requires the use of judgement, which may often have a significant effect on the entity's financial statements.

...

IFRIC[®] Update, March 2013

IFRS 3 *Business Combinations* and IFRS 2 *Share-based Payment*—Accounting for reverse acquisitions that do not constitute a business

...

... Consequently, it is appropriate to apply by analogy, in accordance with paragraphs 10–12 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [now IAS 8 *Basis of Preparation of Financial Statements*], the guidance in paragraphs B19–B27 of IFRS 3 for reverse acquisitions. ...

...

IFRIC[®] Update, September 2012

IAS 39 *Financial Instruments: Recognition and Measurement*—Derecognition of financial instruments upon modification’

The Interpretations Committee received a request for guidance on the circumstances in which the restructuring of Greek government bonds (GGB) should result in derecognition in accordance with IAS 39 of the whole asset or only part of it. In particular, the Interpretations Committee has been requested to consider whether:

...

- (b) IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [now IAS 8 *Basis of Preparation of Financial Statements*] would be applicable in analysing the submitted fact pattern?

...

IFRIC[®] Update, July 2010

Going concern disclosure’

The Committee received a request for guidance on the disclosure requirements in IAS 1 [now IAS 8 *Basis of Preparation of Financial Statements*] on uncertainties related to an entity’s ability to continue as a going concern.

How an entity applies the disclosure requirements in paragraph 25 of IAS 1 [now paragraph 6K of IAS 8] requires the exercise of professional judgement....

The Committee noted that IAS 1 [now IAS 8] provides sufficient guidance on the disclosure requirements on uncertainties related to an entity’s ability to continue as a going concern and

that it does not expect diversity in practice. Therefore, the Committee decided not to add the issue to its agenda.

IFRIC[®] Update, March 2010

IAS 21 *The Effects of Changes in Foreign Exchange Rates*—Determination of functional currency of an investment holding company

...

Consequently, how an entity applies IAS 21 for the purpose of determining its functional currency—whether it is an investment holding company or any other type of entity—requires the exercise of judgement. IAS 1 *Presentation of Financial Statements* [now IAS 8 *Basis of Preparation of Financial Statements*] requires disclosure of significant accounting policies and judgements that are relevant to an understanding of the financial statements.

...

IFRIC[®] Update, January 2010

IAS 38 *Intangible Assets*—Amortisation method

...The IFRIC noted that the determination of the amortisation method is therefore a matter of judgement. In addition, in accordance with paragraph 122 of IAS 1 *Presentation of Financial Statements* [now paragraph 27G of IAS 8 *Basis of Preparation of Financial Statements*], significant judgements made in determining the amortisation methods should be disclosed in the notes to the financial statements.

...

IFRIC[®] Update, July 2009

IAS 39 *Financial Instruments: Recognition and Measurement*—Meaning of "significant or prolonged"

[Paragraphs 41A–41C were added to IAS 28 as a consequential amendment when the Board issued IFRS 9. The requirements in paragraphs 41A–41C are similar to those in paragraphs 59–61 of IAS 39.]

... The IFRIC further noted that an entity would provide disclosure about the judgements it made in determining the existence of objective evidence and the amounts of impairment in accordance with paragraphs 122 and 123 of IAS 1 *Presentation of Financial Statements* [now paragraphs 27G and 27H of IAS 8 *Basis of Preparation of Financial Statements*] and paragraph 20 of IFRS 7 *Financial Instruments: Disclosures* [IFRS 7 is not applicable to interests in associates and joint ventures accounted for in accordance with IAS 28].

...

IFRIC[®] Update, July 2009

IFRS 3 *Business Combinations*—Earlier application of IFRS 3

... The IFRIC observed that this question should be answered in accordance with the general principles in IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [now IAS 8 *Basis of Preparation of Financial Statements*]. Accordingly, if an entity chooses to apply the revised IFRS 3 early, it must apply it to all business combinations that occurred in the annual period in which the revised IFRS is first applied.

...

IFRIC[®] Update, July 2009

IAS 27 *Consolidated and Separate Financial Statements*—Transaction costs for non-controlling interest

...

The IFRIC noted that the amended IAS 27 requires transactions with NCI to be treated as equity transactions. Paragraphs 106(d)(iii) and 109 of IAS 1 *Presentation of Financial Statements* [now paragraphs 107(c)(iii) and 112 of IFRS 18 *Presentation and Disclosure in Financial Statements*] state that changes in equity resulting from transactions with owners in their capacity as owners (such as equity contributions, reacquisitions of the entity's own equity

instruments and dividends) and transaction costs directly related to such transactions are not part of the income and expense generated by the entity's activities during that period.

...

[IFRIC[®] Update, May 2009, Agenda Decision, 'IAS 16 Property, Plant and Equipment—Disclosure of idle assets and construction in progress']

...

The IFRIC also noted that paragraph 112(c) of IAS 1 [now paragraph 113(c) of IFRS 18 *Presentation and Disclosure in Financial Statements*] requires an entity to provide in the notes information that is not presented elsewhere in the financial statements that is relevant to their understanding...

Given the requirements of IAS 16 and IAS 1 [now IFRS 18], the IFRIC did not expect significant diversity in practice and decided not to add this issue to its agenda....

IFRIC[®] Update, January 2008

IAS 23 *Borrowing Costs* (as revised in 2007)—Foreign exchange and capitalisable borrowing costs

...Consequently, how an entity applies IAS 23 to foreign currency borrowings is a matter of accounting policy requiring the exercise of judgement. IAS 1 *Presentation of Financial Statements* [now IAS 8 *Basis of Preparation of Financial Statements*] requires clear disclosure of significant accounting policies and judgements that are relevant to an understanding of the financial statements.

...

IFRIC[®] Update, August 2005

IAS 7 *Value added tax*

...

IAS 7 does not explicitly address the treatment of VAT. The IFRIC noted that it would be appropriate in complying with IAS 1 *Presentation of Financial Statements* [now IAS 8 *Basis of Preparation of Financial Statements*] for entities to disclose whether they present their gross cash flows as inclusive or exclusive of VAT.

...

IFRIC Update, June 2005,

IAS 1 Comparatives for prospectuses

The IFRIC considered whether to amend requirements in paragraph 36 (~~now paragraph 38~~) of IAS 1 [now paragraph 31 of IFRS 18 *Presentation and Disclosure in Financial Statements*] relating to comparative information, because of perceived practical problems in complying with EU requirements for prospectuses.

The IFRIC decided not to add the item to its agenda because it believed that the issue involved a difference of approach between IAS 1 [now IFRS 18] and certain regulatory requirements that were not capable of being resolved merely by issuing an interpretation of IAS 1.]

IFRIC[®] Update, October 2004

Transition issues under IFRS 1

The IFRIC considered two issues regarding first-time adoption of IFRSs. The first issue was whether the ‘impracticability’ exception under IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* [now IAS 8 *Basis of Preparation of Financial Statements*] should also apply to first time adopters. The IFRIC agreed that there were potential issues, especially with respect to ‘old’ items, such as property, plant and equipment. However, those issues could usually be resolved by using one of the transition options available in IFRS 1.

...