Standards Issued and Effective Dates

Introduction

The following is a summary of new standards and pronouncements that are in issue and effective in the 2016 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 2016

	Standard	Change
1	IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	*Annual Improvements 2012 – 2014 Cycle:* Amendments clarifying that a change in the manner of disposal of a non-current asset or disposal group for sale is considered to be a continuation of the original plan of disposal, and accordingly, the date of classification as held for sale does not change.
2	IFRS 7 *Financial Instruments: Disclosures*	*Annual Improvements 2012 – 2014 Cycle:* Amendments clarifying under what circumstances an entity will have continuing involvement in a transferred asset as a result of servicing contracts. *Annual Improvements 2012 - 2014 Cycle:* Amendment clarifying the applicability of previous amendments to IFRS 7 issued in December 2011 with regards to offsetting financial assets and financial liabilities in relation to interim financial statements prepared under IAS 34.
3	IFRS 10 *Consolidated Financial Statements*	*Investment Entities: Applying the Consolidation Exception:* Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28):* Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.
4	IFRS 11 *Joint Arrangements*	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.
5	IFRS 12 *Disclosure of Interests in Other Entities*	*Investment Entities: Applying the Consolidation Exception:* Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.
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 *Presentation of Financial Statements*	*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 *Property, Plant and Equipment*	Amendment to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets. 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.
9	IAS 19 *Employee Benefits*	*Annual Improvements 2012-2014 Cycle:* Clarification of the requirements of to determine the discount rate in a regional market sharing the same currency (for example, the Eurozone).
10	IAS 27 *Consolidated and 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.
11	IAS 28 *Investments in Associates*	*Investment Entities*: Applying the Consolidation Exception: Narrow-scope amendments to IFRS 10, IFRS 12 and IAS 28 introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28):* Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.
12	IAS 34 *Interim Financial Reporting*	*Annual Improvements 2012-2014 Cycle:* Clarification of the meaning of disclosure of information 'elsewhere in the interim financial report'.
13	IAS 38 *Intangible Assets*	Amendments to IAS 16 and IAS 38 to clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset. Amendment to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets.
14	IAS 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.

Interpretations Issued and Effective on or after 1 January 2016

	Interpretation	Change
1	None	N/A

Standards Issued and Effective on or after 1 January 2017

	Standard	Change
1		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.

Standards Issued and Effective on or after 1 January 2018

	Standard	Change
1	IFRS 9 *Financial Instruments* (IFRS 9 (2014) supersedes any previous versions of IFRS 9, but earlier versions of IFRS 9 remain available for application if the relevant date of application is before 1 February 2015)	- A finalised version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment Hedge Accounting and Derecognition: a) IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as “fair value through other comprehensive income” in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. b) The new model introduces a single impairment model being applied to all financial instruments, as well as an “expected credit loss” model for the measurement of financial assets. c) IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements. IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.
	IFRS 15 *Revenue from Contracts from Customers*	- New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers. - The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed

		comprehensively and improve guidance for multiple-element arrangements. - The new standard supersedes: a) IAS 11 Construction Contracts; b) IAS 18 Revenue; c) IFRIC 13 Customer Loyalty Programmes; d) IFRIC 15 Agreements for the Construction of Real Estate; e) IFRIC 18 Transfers of Assets from Customers; and f) SIC-31 Revenue—Barter Transactions Involving Advertising Services. For further information please see the IFRS 15 Snapshots and Summaries

Standards Issued and Effective on or after 1 January 2019

	Standard	Change
1	IFRS 16 *Leases*	- New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows. - IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee. - IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. - IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. - IFRS 16 supersedes the following Standards and Interpretations: a) IAS 17 Leases; b) IFRIC 4 Determining whether an Arrangement contains a Lease; c) SIC-15 Operating Leases—Incentives; and d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

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.