

# *Straight away*

## IFRS bulletin from PwC

16 December 2013

### *IASB publishes final standard on Annual Improvements 2011-13 cycle*

#### *What is the issue?*

The IASB has published the final standard for the 2011-13 cycle of the annual improvements project, with amendments that affect 4 standards.

The amendments affect IFRS 1, IFRS 3, IFRS 13 and IAS 40. They are largely effective for annual periods beginning on or after 1 July 2014.

The following is a summary of the amendments.

#### *IFRS 1, 'First-time adoption of International Financial Reporting Standards'*

The basis for conclusions on IFRS 1 is amended to clarify that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented.

#### *IFRS 3, 'Business combinations'*

The standard is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

#### *IFRS 13, 'Fair value measurement'*

The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9.

The amendment is effective for annual periods beginning on or after 1 July 2014. An entity shall apply the amendment prospectively from the beginning of the first annual period in which IFRS 13 is applied.

#### *IAS 40, 'Investment property'*

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.

The amendment is effective for annual periods beginning on or after 1 July 2014, but can be applied to individual acquisitions of investment property before that date if, and only if, the information necessary to apply the amendment is available.

### *Am I affected?*

The amendments will not affect every company. However, if you are affected, the impact could be significant.

### *What do I need to do?*

Please read the amendments in their entirety, to determine the impact on you.



This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2013 PwC. All rights reserved. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.