

Reminder: Effective dates of IFRS

Be prepared

March 2012, Issue 2012/04

IN THE HEADLINES

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This edition of ***In the Headlines*** serves as a reminder of newly effective standards and standards issued but not yet effective for reporting periods¹ ending on **31 March 2012**.

In this publication, the term ‘standards’ is used broadly to refer to new standards, and amendments to or interpretations of standards.

The standards that need to be considered for the first time for annual periods ending 31 March 2012 are listed below by their effective dates. **All of the effective dates given refer to the start of an annual accounting period.** Changes since the previous edition of *In the Headlines – Reminder: Effective dates of IFRS* (issue 2011/38) are highlighted with a star (★).

The applicability of these standards for a particular period has been identified as follows.

- Standards that are effective for the first time and are required to be applied for the annual period (and therefore any interim periods within the annual period) have been identified with a tick (✓).
- Standards that are not yet mandatory but are available for early adoption for a particular period have been identified with a circle (○). Entities with annual reporting periods ending on **31 March 2012** can also refer to these standards in considering the disclosure that should be made to comply with paragraph 30 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Standards that first became effective in an earlier annual period have been identified with a cross (✕).

This edition of *In the Headlines* does not cover proposed accounting guidance. The official standards, amendments to standards, interpretations or other information referred to here should be read for more complete information on the new requirements and their transitional provisions.

New this quarter

One major change is the publication of amendments on offsetting and disclosures for financial assets and financial liabilities. These amendments to IFRS 7 *Financial Instruments: Disclosures* and IAS 32 *Financial Instruments: Presentation* will be effective for annual periods beginning on or after 1 January 2013 and 1 January 2014 respectively. The amendments to IFRS 7 introduce new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or are subject to a master netting arrangement or similar agreements. The amendments to IAS 32 introduce application guidance to address issues identified in applying some of the offsetting criteria. This includes clarifying:

- the meaning of ‘currently has a legally enforceable right of offset’; and
- that some gross settlement systems may be considered equivalent to net settlement.

In addition, the deferral of the mandatory effective date of IFRS 9 *Financial Instruments* to periods beginning on or after 1 January 2015 has been confirmed.

Government Loans (Amendments to IFRS 1) has also been published to provide relief to first-time adopters of IFRS from applying the measurement requirements of the financial instruments standards (IAS 39 *Financial Instruments: Recognition and Measurement* or IFRS 9) to government loans with below-market rates of interest.

¹ ‘Reporting period’ could refer to either interim or annual (YR) periods. Interim periods are generally either half-year (HY) or quarterly reporting periods (Q1, Q2, Q3, Q4).

At a glance

Choose the column that reflects where you are in your financial year and consider the standards indicated.

Effective date	Standards	Q1	Q2/HY	Q3	Q4/YR
1 July 2010	IFRIC 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i> : Briefing Sheet – Issue 163	✕	✕	✕	✓
	<i>Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters (Amendment to IFRS 1)</i> : Briefing Sheet – Issue 170 ²	✕	✕	✕	✓
	<i>Improvements to IFRSs 2010</i> – various standards: Briefing Sheet – Issue 185	✕	✕	✕	✓

Effective date	Standards	Q1	Q2/HY	Q3	Q4/YR
1 January 2011	IAS 24 <i>Related Party Disclosures</i> (revised 2009): First Impressions: Amendments to IAS 24 Related Party Disclosures	x	✓	✓	✓
	<i>Prepayments of a Minimum Funding Requirement</i> (Amendments to IFRIC 14): Briefing Sheet – Issue 164	x	✓	✓	✓
	<i>Improvements to IFRSs 2010</i> – various standards: Briefing Sheet – Issue 185	x	✓	✓	✓
1 July 2011	<i>Disclosures – Transfers of Financial Assets</i> (Amendments to IFRS 7): Briefing Sheet – Issue 216	✓	✓	✓	○
	<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i> (Amendments to IFRS 1): Briefing Sheet – Issue 228²	✓	✓	✓	○
1 January 2012	<i>Deferred Tax: Recovery of Underlying Assets</i> (Amendments to IAS 12): Briefing Sheet – Issue 229	✓	○	○	○
1 July 2012	<i>Presentation of Items of Other Comprehensive Income</i> (Amendments to IAS 1): In the Headlines – Issue 2011/19	○	○	○	○
1 January 2013	IFRS 10 <i>Consolidated Financial Statements</i> : First Impressions: Consolidated financial statements	○	○	○	○
	IFRS 11 <i>Joint Arrangements</i> : First Impressions: Joint arrangements	○	○	○	○
	IFRS 12 <i>Disclosure of Interests in Other Entities</i> : In the Headlines – Issue 2011/16	○	○	○	○
	IFRS 13 <i>Fair Value Measurement</i> : First Impressions: Fair value measurement	○	○	○	○
	IAS 19 <i>Employee Benefits</i> (amended 2011): First Impressions: Employee benefits	○	○	○	○
	IAS 27 <i>Separate Financial Statements</i> (2011): First Impressions: Consolidated financial statements	○	○	○	○
	IAS 28 <i>Investments in Associates and Joint Ventures</i> (2011): First Impressions: Joint arrangements	○	○	○	○
	IFRIC 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i> : First Impressions: Production stripping costs	○	○	○	○
	★ <i>Government Loans</i> (Amendments to IFRS 1): In the Headlines: Issue 2012/03²	○	○	○	○
★ <i>Disclosures: Offsetting Financial Assets and Financial Liabilities</i> (Amendments to IFRS 7): First Impressions: Offsetting financial assets and financial liabilities	○	○	○	○	
1 January 2014	★ <i>Offsetting Financial Assets and Financial Liabilities</i> (Amendments to IAS 32): First Impressions: Offsetting financial assets and financial liabilities	○	○	○	○
1 January 2015	★ IFRS 9 <i>Financial Instruments</i> : First Impressions: IFRS 9 Financial Instruments , First Impressions: Additions to IFRS 9 Financial Instruments and In the Headlines – Issue 2011/39	○	○	○	○

2 Applies only to first-time adopters of IFRS

What should you do now?

Speak to your usual KPMG contact for more information on preparing for the new standards.

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Publication name: *In the Headlines – Reminder: Effective dates of IFRS*

Publication number: Issue 2012/04

Publication date: March 2012

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