

IFRS: New standards

Are you prepared?

December 2013, Issue 2013/22

IN THE HEADLINES

kpmg.com/ifrs



Be prepared for the new standards

Each quarter, we provide a summary of newly effective and forthcoming standards. This edition covers financial years ending on or after 31 December 2013, including interim periods within those financial years.

Companies with 31 December financial year ends will be preparing their annual financial statements considering the consequential effects of newly effective and forthcoming standards. Among others, the new consolidation suite and the revised standard on employee benefits now apply.

Many companies will be keen to early adopt the amendments to pension accounting issued on 21 November 2013, which offer some welcome relief from the potentially burdensome requirements of applying the revised standard on employee benefits. Similarly, companies can obtain relief from the disclosure requirements of IFRS 13 *Fair Value Measurement* by early adopting *Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)*.

Looking farther ahead, the new general hedge accounting standard issued on 19 November 2013 – part of IFRS 9 *Financial Instruments (2013)* – will align hedge accounting more closely with risk management. It also removes the

effective date of IFRS 9. The new mandatory effective date will be determined once the classification and measurement and impairment phases of IFRS 9 are finalised. However, the standard is available for early adoption.

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

Although the standards define effective date in terms of annual periods *beginning* on or after a specified date, this publication states the effective date in terms of financial years *ending* on or after a specified date, to align the information with your financial year end. It also assumes a financial year of 12 months.

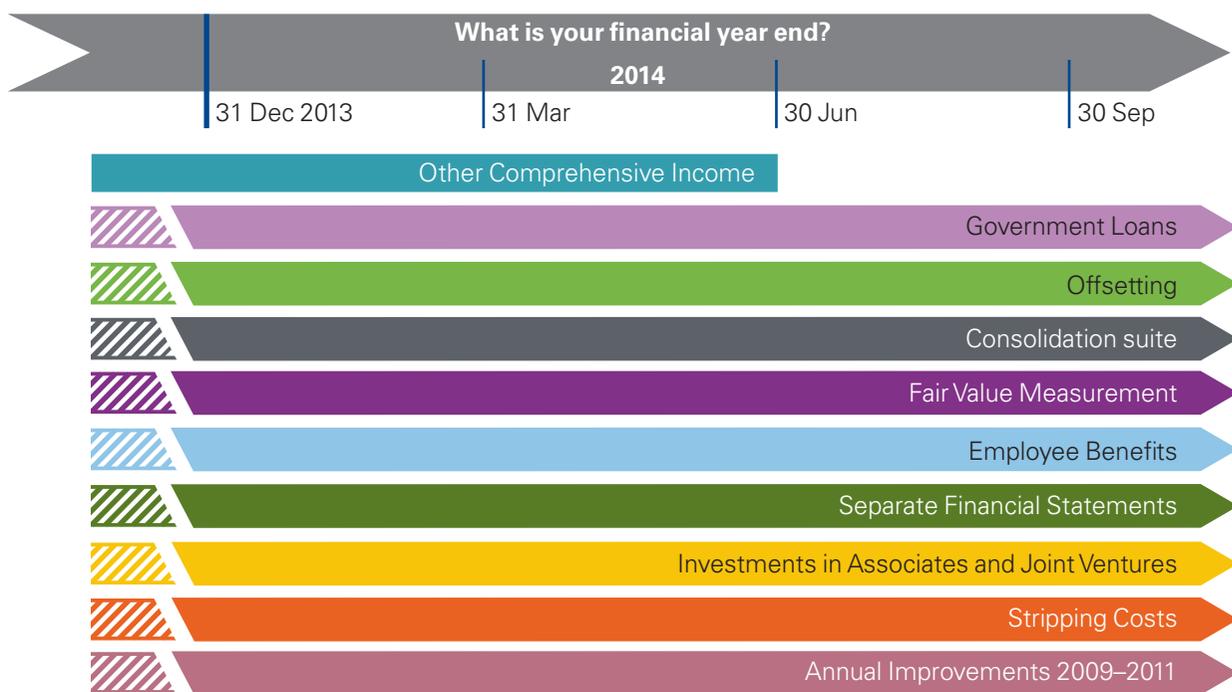
Newly effective standards

The standards that need to be considered for financial years ending on or after 31 December 2013 are listed below.

Effective for years ending	Standards	KPMG's guidance	Key
30 June 2013	<i>Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)</i>	<i>Insights into IFRS</i> (Chapter 4.1)	
31 December 2013	<i>Government Loans (Amendments to IFRS 1)</i>	In the Headlines – Issue 2012/03	
	<i>Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)</i>	<i>Insights into IFRS</i> (Chapter 7.8)	
	IFRS 10 <i>Consolidated Financial Statements</i>	<i>Insights into IFRS</i> (Chapter 2.5), IFRS Practice Issues: Applying the consolidation model to fund managers	
	IFRS 11 <i>Joint Arrangements</i>	<i>Insights into IFRS</i> (Chapter 3.6)	
	IFRS 12 <i>Disclosure of Interests in Other Entities</i>	<i>Insights into IFRS</i> (Chapters 2.5, 3.5 and 3.6)	
	<i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)</i>	<i>Insights into IFRS</i> (Chapters 2.5 and 3.6), IFRS Practice Issues: Adopting the consolidation suite of standards	
	IFRS 13 <i>Fair Value Measurement</i>	<i>Insights into IFRS</i> (Chapter 2.4), Fair Value Measurement – Questions and Answers	
	IAS 19 <i>Employee Benefits</i> (2011)	<i>Insights into IFRS</i> (Chapter 4.4)	
IAS 27 <i>Separate Financial Statements</i> (2011)	<i>Insights into IFRS</i> (Chapter 2.1)		

Effective for years ending	Standards	KPMG's guidance	Key
31 December 2013 (continued)	IAS 28 <i>Investments in Associates and Joint Ventures</i> (2011)	<i>Insights into IFRS</i> (Chapters 3.5 and 3.6)	Yellow
	IFRIC 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	<i>Insights into IFRS</i> (Chapter 5.11)	Orange
	<i>Annual Improvements to IFRS 2009–2011 Cycle</i> – various standards	IFRS Newsletter: The Balancing Items – Issue 2	Pink

Which standards are mandatory for my financial year end?

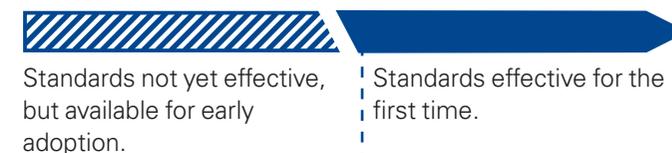


How to read the chart

Find your financial year end on the timeline. Each standard shown is either effective for the first time or not yet effective but available for early adoption, depending on whether the line is solid or striped.

For example, if your financial year end is 31 December 2013, then all of the standards shown are mandatory for the first time in your annual financial report covering 1 January 2013 to 31 December 2013.

Key



Standards not yet effective, but available for early adoption

The standards listed below are not yet effective for any reporters, but are available for early adoption. Those issued since the previous edition of this *In the Headlines* (Issue 2013/15) are marked with a star (★).

Effective for years ending	Standards	KPMG's guidance
31 December 2014	<i>Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)</i>	First Impressions: Consolidation relief for investment funds
	<i>Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)</i>	<i>Insights into IFRS</i> (Chapter 7.8)
	<i>Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)</i>	IFRS Breaking News
	IFRIC 21 <i>Levies</i>	In the Headlines – Issue 2013/09
	<i>Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)</i>	In the Headlines – Issue 2013/13
30 June 2015	★ <i>Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)</i>	In the Headlines – Issue 2013/20
To be decided	★ IFRS 9 <i>Financial Instruments</i>	<i>Insights into IFRS</i> (Chapter 7A), In the Headlines – Issue 2013/19

Find out more

The 10th Edition 2013/14 of our publication *Insights into IFRS* contains a more detailed discussion of the accounting issues that arise from the application of IFRS. To help you plan ahead, it also discusses standards that are not yet effective. Visit kpmg.com/ifrs to find out more or to order a copy. You can also find our other publications at that web address, including our [suite of guides to financial statements](#).

For more information on preparing for the new standards, please speak to your usual KPMG contact.

© 2013 KPMG IFRG Limited, a UK company, limited by guarantee. All rights reserved.

The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International.

Publication name: *In the Headlines – New standards*

Publication number: Issue 2013/22

Publication date: December 2013

KPMG International Standards Group is part of KPMG IFRG Limited.

KPMG International Cooperative ("KPMG International") is a Swiss entity that serves as a coordinating entity for a network of independent firms operating under the KPMG name. KPMG International provides no audit or other client services. Such services are provided solely by member firms of KPMG International (including sublicensees and subsidiaries) in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any other member firm, nor does KPMG International have any such authority to obligate or bind KPMG International or any other member firm, in any manner whatsoever.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.