

IFRS: New standards

Are you prepared?

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IN THE HEADLINES

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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 30 September 2014, including interim periods within those financial years.

Companies with 30 September 2014 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 of standards and the revised standard on employee benefits now apply.

These companies also need to consider the amendments to IFRS 2 *Share-based Payment* and IFRS 3 *Business Combinations* included in the 2010–2012 annual improvements. This is because the changes are effective for grant dates and dates of acquisition, respectively, on or after 1 July 2014.

Moving on to new developments this quarter, the amendments to IAS 27 *Separate Financial Statements* were issued on 12 August 2014. They allow the use of the equity method in separate financial statements and apply to the accounting not only for associates and joint ventures, but also for subsidiaries.

Looking farther ahead, the complete IFRS 9 *Financial Instruments* has now been issued. The new standard includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, and new general hedge accounting requirements. It is effective for financial years ending on or after 31 December 2018 and is available for early adoption.

Newly effective standards

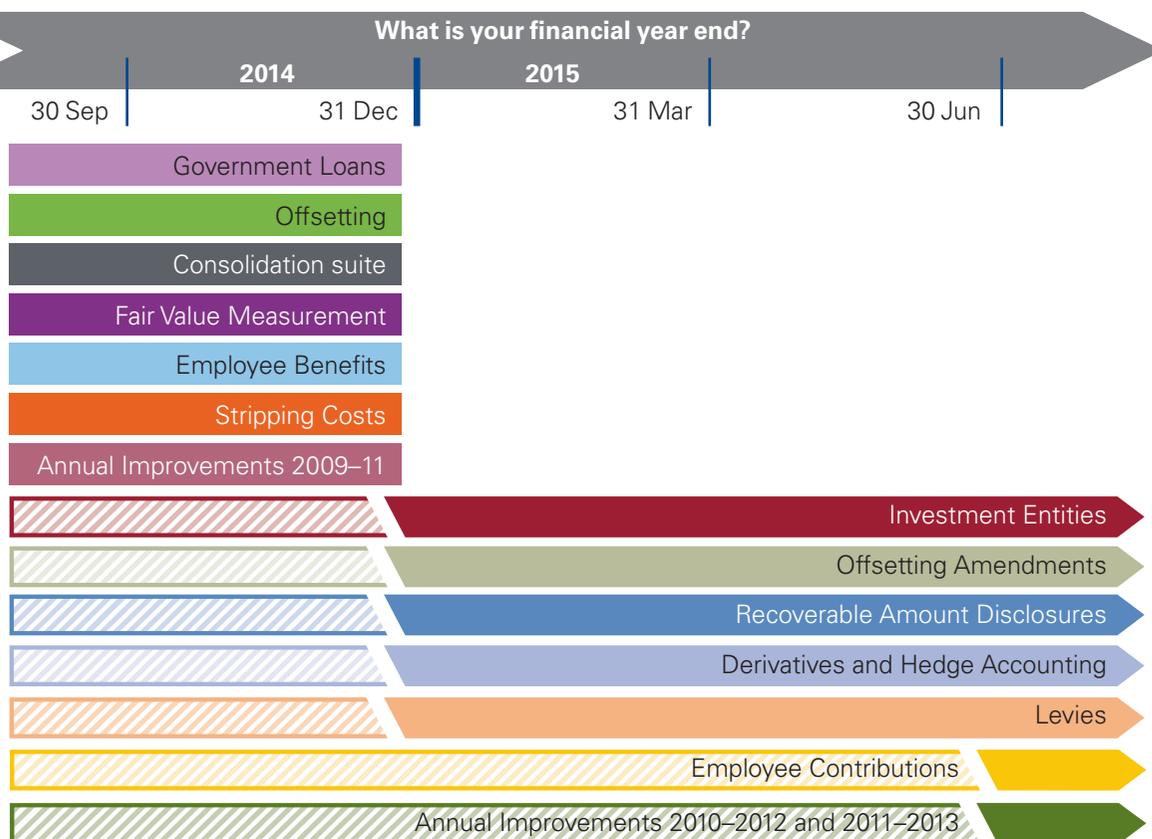
The effective standards that need to be considered for financial years ending on or after 30 September 2014 are listed below.

Effective for years ending	Standards	KPMG's guidance	Key
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	
	IAS 27 <i>Separate Financial Statements</i> (2011)	<i>Insights into IFRS</i> (chapter 2.1)	
	IAS 28 <i>Investments in Associates and Joint Ventures</i> (2011)	<i>Insights into IFRS</i> (chapters 3.5 and 3.6)	
	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)	
	IFRIC 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	<i>Insights into IFRS</i> (chapter 5.11)	
<i>Annual Improvements to IFRS 2009–2011 Cycle – various standards</i>	IFRS Newsletter: The Balancing Items – Issue 2		
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)	

Effective for years ending	Standards	KPMG's guidance	Key
31 December 2014 (continued)	<i>Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)</i>	IFRS Breaking News	
	<i>Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)</i>	In the Headlines – Issue 2013/13	
	IFRIC 21 Levies	In the Headlines – Issue 2013/09	
30 June 2015	<i>Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)</i>	In the Headlines – Issue 2013/20	
	<i>Annual Improvements to IFRSs 2010–2012 Cycle – various standards</i> ¹	IFRS Newsletter: The Balancing Items – Issue 6	
	<i>Annual Improvements to IFRSs 2011–2013 Cycle – various standards</i>	IFRS Newsletter: The Balancing Items – Issue 6	

¹ Most amendments will apply for years ending on or after 30 June 2015. However, the amendments to IFRS 2 and IFRS 3 refer to grant dates and dates of acquisition, respectively, on or after 1 July 2014.

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 2014, then the standards from *Investment Entities* to *Levies* are mandatory for the first time in your annual financial report covering 1 January 2014 to 31 December 2014.

Key



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.

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 2014/10) are marked with a star (★).

Effective for years ending	Standards	KPMG's guidance
31 December 2016	IFRS 14 <i>Regulatory Deferral Accounts</i>	In the Headlines – Issue 2014/01
	<i>Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)</i>	In the Headlines – Issue 2014/07
	<i>Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)</i>	In the Headlines – Issue 2014/08
	★ <i>Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)</i>	In the Headlines – Issue 2014/12
	★ <i>Equity Method in Separate Financial Statements (Amendments to IAS 27)</i>	In the Headlines – Issue 2014/14
31 December 2017	IFRS 15 <i>Revenue from Contracts with Customers</i>	In the Headlines – Issue 2014/09
31 December 2018	★ IFRS 9 <i>Financial Instruments</i>	<i>Insights into IFRS</i> (chapter 7A), In the Headlines – Issue 2014/13 , In the Headlines – Issue 2013/19

Find out more

The 11th Edition 2014/15 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.

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