

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 June 2015, including interim periods within those financial years.

Companies with 30 June 2015 financial year ends will be preparing their annual financial statements considering the consequential effects of newly effective standards, including all of the standards set out in the table below. However, companies that have 31 December 2015 financial year ends and are preparing half-yearly interim financial statements will consider only the last three of these standards for the first time.

In both cases, the new considerations include the amendments to IAS 19 *Employee Benefits*, which offer welcome relief to many companies by introducing simpler accounting for certain defined benefit plans that involve contributions from employees or third parties. In addition, the 2010–2012 and 2011–2013 cycles of annual improvements

to IFRS are now effective; for these, companies need to consider amendments to a total of nine standards.

There have been no new developments this quarter beyond those covered in the previous edition of this [In the Headlines](#) (Issue 2015/02).

Looking farther ahead, IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*, which will become effective in 2018 and 2017 respectively, will have a significant impact. As well as changing the accounting treatment, they may require an overhaul of the processes used to produce the required financial information. This may therefore be the time to prepare for the implementation of these bigger changes.

Newly effective standards

The effective standards that need to be considered for financial years ending on or after 30 June 2015 are listed below.

Effective for years ending	Standards	KPMG's guidance	Key
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	
	<i>Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)</i>	In the Headlines – Issue 2013/13	
	IFRIC 21 <i>Levies</i>	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</i> – various standards	IFRS Newsletter: The Balancing Items – Issue 6	
	<i>Annual Improvements to IFRSs 2011–2013 Cycle</i> – various standards	IFRS Newsletter: The Balancing Items – Issue 6	

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 30 June 2015, then all of the standards shown are mandatory for the first time in your annual financial report covering 1 July 2014 to 30 June 2015. By contrast, if your financial year end is 31 December 2015, then only the employee contributions amendments and both sets of annual improvements are mandatory for the first time; the others were mandatory in the previous annual financial statements.

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.

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

Effective for years ending	Standards	KPMG's guidance
31 December 2016 (continued)	<i>Equity Method in Separate Financial Statements (Amendments to IAS 27)</i>	In the Headlines – Issue 2014/14
	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)</i>	In the Headlines – Issue 2014/17
	<i>Annual Improvements to IFRSs 2012–2014 Cycle – various standards</i>	IFRS Newsletter: The Balancing Items – Issue 7
	<i>Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)</i>	IFRS Breaking News
	<i>Disclosure Initiative (Amendments to IAS 1)</i>	IFRS Breaking News
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>	Insights into IFRS (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 [our website](#) to find out more or to order a copy. You can find our other publications on our [IFRS Institute](#), 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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