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IFRS Alert

IASB issues Annual Improvements to IFRS Standards 2015–2017 Cycle

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Executive summary

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Standards 2015–2017 Cycle' addressing non-urgent (but necessary) minor amendments to four Standards, as described below.

Background

The publication is a collection of amendments to IFRS Standards discussed by the IASB during the current project cycle for annual improvements. The IASB uses the Annual Improvements process to make necessary, but non-urgent, amendments to IFRS Standards that will not be included as part of any other project. By presenting the amendments in a single document rather than as a series of piecemeal changes, the IASB aims to ease the burden of change for all concerned. A summary of the issues addressed is set out below:

Annual Improvements to IFRS Standards 2015–2017 Cycle

Standard affected	Subject	IASB's summary of amendment
IAS 12 'Income Taxes'	Income tax consequences of payments on instruments classified as equity	• A company accounts for all income tax consequences of dividend payments in the same way.
IAS 23 'Borrowing Costs'	Borrowing costs eligible for capitalisation	• A company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.
IFRS 3 'Business Combinations'	Previously held interests in a joint operation	• A company remeasures its previously held interest in a joint operation when it obtains control of the business.
IFRS 11 'Joint Arrangements'	Previously held interests in a joint operation	• A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

Effective date

These amendments are effective for annual reporting periods beginning on or after 1 January 2019, with early application permitted.

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