

International Financial Reporting Standard

Consolidated Financial Statements and Joint Arrangements

May 2011

IMPLEMENTATION GUIDANCE – AMENDMENTS

[IFRS 1, 4 & 5 and IAS 39 and IFRIC 17]

[Related to AASB 2011-7]

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Amendments to guidance on other IFRSs

The following amendments to guidance on IFRSs are necessary in order to ensure consistency with IFRS 10 and the related amendments to other IFRSs. Amended paragraphs are shown with the new text underlined and deleted text struck through.

IFRS 1 *First-time Adoption of International Financial Reporting Standards*

- IGA1 The heading above paragraph IG26 and paragraphs 16–26 are amended as follows:

IAS 27 IFRS 10 Consolidated and Separate Financial Statements

- IG26 A first-time adopter consolidates all subsidiaries (as defined in IAS 27 IFRS 10), unless ~~IAS 27 IFRS 10~~ requires otherwise.

IFRS 4 *Insurance Contracts*

- IGA2 In paragraph IG2 the ‘Treatment in phase 1’ entry for contract type 1.28 is amended as follows:

If the entities present individual or separate financial statements, they treat the contract as an insurance contract in those individual or separate financial statements (see IAS 27 ~~Consolidated and Separate Financial Statements~~). ...

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

- IGA3 The paragraph above example 13 is amended as follows:

A subsidiary acquired with a view to sale is not exempt from consolidation in accordance with ~~IAS 27 IFRS 10 Consolidated and Separate Financial Statements~~. However, ...

IAS 39 Financial Instruments: Recognition and Measurement

IGA4 The answers to Questions F.1.4 and F.1.6 are amended as follows:

F.1.4 Yes, if the derivative contracts are internal to the entity being reported on. ... The principles of preparing consolidated financial statements in ~~IAS 27.24~~ paragraph B86 of IFRS 10 Consolidated Financial Statements require ~~that a parent to 'eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows' 'intragroup balances, transactions, income and expenses shall be eliminated in full'.~~

...

F.1.6 It depends. ~~IAS 27~~ IFRS 10 requires all internal transactions to be eliminated in consolidated financial statements. As stated in ...

IFRIC 17 Distributions of Non-cash Assets to Owners

IGA5 Paragraph IE4 is amended as follows:

IE4 However, if Company A distributes to its shareholders shares of Subsidiary B representing only a non-controlling interest in Subsidiary B and retains control of Subsidiary B, the transaction is not within the scope of the Interpretation. Company A accounts for the distribution in accordance with ~~IAS 27~~ IFRS 10 Consolidated and Separate Financial Statements ~~(as amended in 2008)~~. Company A controls Company B both before and after the transaction.