Changes in this edition

This section is a brief guide to the changes since the 2015 edition of *A Guide through IFRS® Standards (the 'Green Book')* that are incorporated in this edition.

Introduction

The consolidated text of IFRS Standards given in this edition is the latest version as at 1 July 2016. In some cases the effective date of the consolidated text is later than 1 July 2016. This edition does not include versions of Standards (or parts of Standards) that are being superseded. The title page preceding each Standard details its history.

Significant changes to Standards since 1 July 2015

The following Standards and amendments to Standards, including related consequential amendments, with cross references to accompanying documents and other Standards, have been added:

(a) one new Standard—IFRS 16 *Leases* (replacing IAS 17, IFRIC 4, SIC-15 and SIC-27);

(b) amendments to the following Standards: IFRS 15, IFRS 10, IFRS 2, IAS 7, IAS 12 and IAS 28 made by:

   (i) *Clarifications to IFRS 15 Revenue from Contracts with Customers*;

   (ii) *Effective Date of IFRS 15*;

   (iii) *Effective Date of Amendments to IFRS 10 and IAS 28*;

   (iv) *Classification and Measurement of Share-based Payment Transactions* (Amendments to IFRS 2);

   (v) *Disclosure Initiative* (Amendments to IAS 7); and

   (vi) *Recognition of Deferred Tax Assets for Unrealised Losses* (Amendments to IAS 12).

Other changes

Relevant IFRS Interpretations Committee Agenda Decisions published since 1 July 2015 have been added as annotations to IFRS 3, IFRS 5, IFRS 9, IFRS 11, IAS 2, IAS 12, IAS 16, IAS 20, IAS 32, IAS 36, IAS 38 and IFRIC 14.

The Introduction that accompanied the issue of each Standard has not been reproduced. In earlier editions, the Introduction was reproduced in Part A after the rubric and immediately before the Standard itself.

The IFRS Foundation *Constitution* and the IFRS Foundation *Due Process Handbook* have not been reproduced. In earlier editions they were reproduced in Part B. They can be accessed at:

- http://go.ifrs.org/IFRS-Foundation-Constitution
- http://go.ifrs.org/DPOC

The *Glossary* has been updated.

Minor editorial corrections to Standards (including necessary updating) have been made; a list of all such corrections is available on the website (http://www.ifrs.org).

New Standard

IFRS 16 *Leases*

IFRS 16 *Leases* was issued in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases in different ways. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers* at or before the date of initial application of IFRS 16. IFRS 16 replaces IAS 17, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases—Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Amendments to Standards issued as separate documents

Effective Date of IFRS 15

Effective Date of IFRS 15 was issued in September 2015 and deferred the mandatory effective date of IFRS 15 *Revenue from Contracts with Customers* from 1 January 2017 to 1 January 2018. The main reason for the deferral is to allow additional time for entities to apply IFRS 15, together with the clarifying amendments to the Standard which were issued later, in April 2016 (see below).

Clarifications to IFRS 15 Revenue from Contracts with Customers

Clarifications to IFRS 15 Revenue from Contracts with Customers was issued in April 2016. Its purpose was to clarify the intentions of the International Accounting Standards Board when developing some of the requirements in IFRS 15.

These amendments do not change the underlying principles of the Standard. They arise as a result of discussions of the Transition Resource Group (TRG). The TRG was set up jointly by the IASB and the US national standard-setter, the Financial Accounting Standards Board, to assist companies with the implementation of IFRS 15.

The amendments clarify how to:

- identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- determine whether an entity is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and

- determine whether the revenue from granting a licence to an entity's intellectual property should be recognised at a point in time or over time.

In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for an entity when it first applies IFRS 15.

The effective date of the amendments is the same as the revised effective date of IFRS 15: 1 January 2018.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2) was issued in June 2016. The amendments, which were developed through the IFRS Interpretations Committee, provide requirements on the accounting for:

(a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;

(b) share-based payment transactions with a net settlement feature for withholding tax obligations; and

(c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Companies are required to apply the amendments for annual periods beginning on or after 1 January 2018. Earlier application is permitted.

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12) was issued in January 2016.

IAS 12 *Income Taxes* provides requirements on the recognition and measurement of current or deferred tax liabilities or assets. These amendments, which were issued as a consequence of a recommendation by the IFRS Interpretations Committee, clarify the requirements on recognition of deferred tax assets for unrealised losses, such as those arising on debt instruments measured at fair value, in order to address diversity in practice.

Entities are required to apply the amendments for annual periods beginning on or after 1 January 2017. Earlier application is permitted.

Disclosure Initiative (Amendments to IAS 7)

Disclosure Initiative (Amendments to IAS 7) was issued in January 2016.

The amendments to IAS 7 *Statement of Cash Flows* respond to investors' requests for improved disclosures about changes in an entity's liabilities arising from financing activities. The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. These amendments are required to be applied for annual periods beginning on or after 1 January 2017; comparative information is not required for the first year of application. Earlier application is permitted.

Effective Date of Amendments to IFRS 10 and IAS 28

Effective Date of Amendments to IFRS 10 and IAS 28, a narrow scope amendment to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Associates and Joint Ventures*, was issued in December 2015. The amendment defers indefinitely the effective date of *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to IFRS 10 and IAS 28) which was issued in September 2014, pending the outcome of the International Accounting Standards Board's research project on equity accounting. The deferral is effective on publication.