

Appendix Amendments to the Basis for Conclusions on other IFRS Accounting Standards

This appendix sets out the amendments to the Basis for Conclusions on other IFRS Accounting Standards that are a consequence of the IASB issuing IFRS 18 Presentation and Disclosure in Financial Statements.

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

BC96A is added. New text is underlined.

Presentation and disclosure

...

Interim financial reports

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BC96A In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 includes requirements about the headings and subtotals an entity presents in its financial statements. Paragraph 2(b) of IFRS 1, meanwhile, requires an entity to apply this Standard (ie IFRS 1) to each interim financial report that the entity presents in accordance with IAS 34 for part of the period covered by its first IFRS financial statements. Consequently, in order for an entity to present the headings and subtotals in accordance with IFRS 18, the IASB decided that the transition requirement in paragraph C4 of Appendix C of IFRS 18 should also apply to first-time adopters of IFRS Accounting Standards. Accordingly, in condensed interim financial statements for part of the period covered by its first IFRS financial statements, a first-time adopter is required to present each heading it expects to use in applying IFRS 18 together with the subtotals required by paragraphs 69–74 of that Standard.

A footnote is added to 'IAS 1 *Presentation of Financial Statements*' in paragraph BC4. New text is underlined.

* In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over the requirements about fair presentation and compliance with IFRSs in IAS 1 *Presentation of Financial Statements* to IAS 8 *Basis of Preparation of Financial Statements*.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraphs BC6 and BC6C. New text is underlined.

* When it issued IFRS 18, the IASB changed the title of IAS 8.

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In paragraph BC84 the footnote to 'IAS 10 *Events after the Balance Sheet Date*.' is amended. New text is underlined and deleted text is struck through.

- * In September 2007 the IASB amended the title of IAS 10 *Events after the Balance Sheet Date* to *Events after the Reporting Period* as a consequence of the revision of IAS 1 ~~*Presentation of Financial Statements*~~ in 2007. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to the end of paragraphs BC85, BC86 and BC92B. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to 'paragraph 38C of IAS 1' in paragraph BC89C. New text is underlined.

- * When it issued IFRS 18, the IASB carried over paragraph 38C of IAS 1 to paragraph B14 of IFRS 18.

IFRS 3 *Business Combinations*

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC397. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

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

A footnote is added to the end of paragraph BC10. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 *Presentation of Financial Statements* to IFRS 18.

A footnote is added to the end of paragraph BC14C. New text is underlined.

- * When it issued IFRS 18, the IASB carried over the requirements about fair presentation and compliance with IFRS Accounting Standards in IAS 1 to IAS 8 *Basis of Preparation of Financial Statements* and carried over the definition of 'material' from IAS 1 to IFRS 18.

A footnote is added to the end of paragraph BC14E. New text is underlined.

- * When it issued IFRS 18, the IASB amended paragraph 5B of IFRS 5 to refer to the requirements in IFRS 18 and the requirements in IAS 8, in particular paragraphs 6A and 31A of IAS 8.

In paragraph BC37 the footnote to 'equity' in the first sentence is amended. New text is underlined and deleted text is struck through.

- * As a consequence of the revision of IAS 1 ~~*Presentation of Financial Statements*~~ (as revised in 2007) such a difference is recognised in other comprehensive income. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to the heading 'Presentation of non-current assets held for sale' above paragraph BC56. New text is underlined.

- * When it issued IFRS 18, the IASB amended IFRS 5 to clarify that 'presentation' refers to providing information in the primary financial statements and 'disclosure' refers to providing information in the notes.

In paragraph BC66 the footnote to 'IAS 10 *Events after the Balance Sheet Date*,' is amended. New text is underlined and deleted text is struck through.

- * In September 2007 the title of IAS 10 was amended from *Events after the Balance Sheet Date* to *Events after the Reporting Period* as a consequence of the revision of IAS 1 ~~*Presentation of Financial Statements*~~ in 2007. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to the heading 'Presentation of discontinued operations' above paragraph BC73. New text is underlined.

- * When it issued IFRS 18, the IASB amended IFRS 5 to clarify that 'presentation' refers to providing information in the primary financial statements and 'disclosure' refers to providing information in the notes. IFRS 5 was also amended to refer to the discontinued operations category in paragraph 47(e) of IFRS 18.

In paragraph BC76 the footnote at the end of the paragraph is amended. New text is underlined and deleted text is struck through.

- * IAS 1 ~~*Presentation of Financial Statements*~~ (as revised in 2007) ~~required~~ requires an entity to present all income and expense items in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to paragraph BC85 to the end of the sentence '(a) As a consequence of the revision of IAS 1 *Presentation of Financial Statements* (as revised in 2007) such differences are recognised in other comprehensive income.' New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

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IFRS 6 *Exploration for and Evaluation of Mineral Resources*

A footnote is added to the end of paragraph BC6. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over the requirements about fair presentation and compliance with IFRS Accounting Standards in IAS 1 *Presentation of Financial Statements* to IAS 8 *Basis of Preparation of Financial Statements*.

A footnote is added to 'paragraph 112(c) of IAS 1' in paragraph BC57. New text is underlined.

- * When it issued IFRS 18, the IASB carried over paragraph 112(c) of IAS 1 to paragraph 113(c) of IFRS 18.

IFRS 7 *Financial Instruments: Disclosures*

Paragraphs BC32A and BCZ32B–BCZ32C and their related subheading are added. For ease of reading, these paragraphs and the subheading have not been underlined. The heading ‘Disclosures about the significance of financial instruments for financial position and performance (paragraphs 7–30, B4 and B5)’ (included above paragraph BC32A in this document) has not been amended but is included for ease of reference.

Disclosures about the significance of financial instruments for financial position and performance (paragraphs 7–30, B4 and B5)

...

Puttable financial instruments and obligations arising on liquidation (paragraphs 19A–19B)

- BC32A In July 2006 the IASB published an exposure draft of proposed amendments to IAS 32 and IAS 1 *Presentation of Financial Statements* relating to the classification of puttable instruments and instruments with obligations arising only on liquidation. The IASB subsequently confirmed the proposals and in February 2008 issued the amendments. In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaced IAS 1. The IASB decided to move to IFRS 7 the disclosure requirements added to IAS 1 by the 2008 amendments. IFRS 7 does not apply to puttable instruments and instruments with obligations arising only on liquidation that are required to be classified as equity. Consequently, the IASB also amended the scope of IFRS 7 to clarify that only the relocated paragraphs apply to these instruments. Paragraphs BCZ32B–BCZ32C in this Basis for Conclusions include the Basis for Conclusions that was included in IAS 1 and moved to IFRS 7.
- BCZ32B The IASB decided to require disclosure of information about puttable instruments and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation that are reclassified in accordance with paragraphs 16E and 16F of IAS 32. This is because the IASB concluded that this disclosure allows users of financial statements to understand the effects of any reclassifications.
- BCZ32C The IASB also concluded that entities with puttable financial instruments classified as equity should be required to disclose additional information to allow users to assess any effect on the entity’s liquidity arising from the ability of the holder to put the instruments to the issuer. Financial instruments classified as equity usually do not include any obligation for the entity to deliver a financial asset to another party. Therefore, the IASB concluded that additional disclosures are needed in these circumstances. In particular, the IASB concluded that entities should disclose the expected cash outflow on redemption or repurchase of those financial instruments that are classified as equity and information about how that amount was determined. That information allows liquidity risk associated with the put obligation and future cash flows to be evaluated.

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A footnote is added to 'paragraph 10(f) of IAS 1 *Presentation of Financial Statements*' in paragraph BC24AI. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over paragraph 10(f) of IAS 1 *Presentation of Financial Statements* to paragraph 10(g) of IFRS 18.

A footnote is added to the subheading 'Amendments to IAS 1 (see paragraphs BC76H–BC76AB of IAS 1)', above paragraph BC35ZA. New text is underlined.

- * When it issued IFRS 18, the IASB carried over the requirements to disclose material accounting policy information in IAS 1 to IAS 8 *Basis of Preparation of Financial Statements*. The IASB also carried over paragraphs BC76H–BC76AB of the Basis for Conclusions on IAS 1 to paragraphs BCZ31B–BCZ31V of the Basis for Conclusions on IAS 8.

A footnote is added to the end of paragraphs BC35GG, BC35OO, BC35QQ and BC73(f). New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC35AAA. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8.

A footnote is added to 'paragraph 122 of IAS 1' in paragraph BC35MMM. New text is underlined.

- * When it issued IFRS 18, the IASB carried over paragraph 122 of IAS 1 to paragraph 27G of IAS 8.

IFRS 8 *Operating Segments*

A footnote is added to the end of paragraph BC46. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* which replaced IAS 1 *Presentation of Financial Statements*. IFRS 18 does not include a definition for 'impracticable'. Paragraph 5 of IAS 8 *Basis of Preparation of Financial Statements* includes a definition.

A footnote is added to the end of paragraph BC47. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

IFRS 9 *Financial Instruments*

A footnote is added to 'IAS 1 *Presentation of Financial Statements*' in paragraph BC4.45. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 *Presentation of Financial Statements* to IFRS 18.

A footnote is added to the end of paragraphs BC4.151, BC4.215, BC5.51, BC6.380 and BC7.20. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

In paragraph BCZ4.61 the footnote at the end of the third sentence is amended. New text is underlined and deleted text is struck through.

- * As a consequence of the revision of IAS 1 *Presentation of Financial Statements* in 2007 these other gains and losses are recognised in other comprehensive income. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph BC4.247. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC7.10. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8.

IFRS 10 Consolidated Financial Statements

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC195. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements in April 2024*, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

A footnote is added to 'IAS 1 *Presentation of Financial Statements*' in paragraph BC199C. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 *Presentation of Financial Statements* to IFRS 18.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC199D. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8.

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IFRS 11 *Joint Arrangements*

A footnote is added to 'IAS 1 *Presentation of Financial Statements*' in paragraph BC69A. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 *Presentation of Financial Statements* to IFRS 18.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph BC69B. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

IFRS 12 *Disclosure of Interests in Other Entities*

A footnote is added to 'paragraph 122 of IAS 1 *Presentation of Financial Statements*' in paragraph BC14. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over paragraph 122 of IAS 1 *Presentation of Financial Statements* to paragraph 27G of IAS 8 *Basis of Preparation of Financial Statements*.

A footnote is added to the end of paragraphs BC23, BC24, BC38 and BC119A. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC119C. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8.

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IFRS 13 *Fair Value Measurement*

A footnote is added to '(in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*)' in paragraph BC121. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

IFRS 14 *Regulatory Deferral Accounts*

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC4. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements in April 2024*, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

A footnote is added to the end of paragraphs BC49 and BC59(d). New text is underlined.

- * When it issued IFRS 18, the IASB carried over the definition of 'material' from IAS 1 *Presentation of Financial Statements* to IFRS 18.

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IFRS 15 Revenue from Contracts with Customers

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC56. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

A footnote is added to the end of paragraph BC320. New text is underlined.

- * When it issued IFRS 18, the IASB replaced the requirements in IAS 1 to present separately each class of similar items and items of a dissimilar nature or function (unless they are immaterial) with principles of aggregation and disaggregation in paragraphs 41–43 of IFRS 18.

A footnote is added to the end of paragraph BC332. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to 'see paragraph 10(e) of IAS 1' in paragraph BC354. New text is underlined.

- * When it issued IFRS 18, the IASB carried over the requirements to disclose material accounting policy information from IAS 1 to IAS 8.

IFRS 16 Leases

A footnote is added to the end of paragraph BC85. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over the definition of 'material' from IAS 1 *Presentation of Financial Statements* to IFRS 18.

A footnote is added to the end of paragraphs BC101 and BC216. New text is underlined.

- * When it issued IFRS 18, the IASB carried over the definition of 'material' from IAS 1 to IFRS 18.

A footnote is added to 'paragraph 55 of IAS 1' in paragraph BC208. New text is underlined.

- * When it issued IFRS 18, the IASB replaced paragraph 55 of IAS 1 with paragraph 105 of IFRS 18.

A footnote is added to 'paragraphs 30A and 31 of IAS 1' in paragraph BC216. New text is underlined.

- * When it issued IFRS 18, the IASB replaced paragraphs 29–31 of IAS 1 with paragraphs 19–20 and 41–43 of IFRS 18.

A footnote is added to the end of paragraphs BC235 and BC236. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC267ZD. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

IFRS 17 Insurance Contracts

A footnote is added to 'present finance costs separately,' in paragraph BC41. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaced IAS 1 *Presentation of Financial Statements*. IFRS 18 does not require separate presentation of finance costs. Paragraph 64(b) of IFRS 18 applies to insurance finance income and expenses.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC66. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC372. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8.

A footnote is added to the end of paragraphs BC328 and BC329. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to the end of paragraph BC357. New text is underlined.

- * When it issued IFRS 18, the IASB replaced IAS 1 with IFRS 18. IFRS 18 requires an entity to present additional line items in the statement of profit or loss if doing so is necessary to provide a useful structured summary of the entity's income and expenses.

A footnote is added to 'paragraphs 134–136 of IAS 1.' in paragraph BC371. New text is underlined.

- * When it issued IFRS 18, the IASB carried over paragraphs 134–136 of IAS 1 to paragraphs 126–129 of IFRS 18.

A footnote is added to 'material accounting policy information (see paragraphs 117–122 of IAS 1)' in paragraph BC398O. New text is underlined.

- * When it issued IFRS 18, the IASB carried over the requirements to disclose material accounting policy information from IAS 1 to IAS 8.

A footnote is added to '(see paragraph 31 of IAS 1)' in paragraph BC398O. New text is underlined.

- * When it issued IFRS 18, the IASB replaced paragraph 31 of IAS 1 with paragraphs 19–20 of IFRS 18.

A footnote is added to 'comparative information as required by IAS 1' in paragraph BC398O. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

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IAS 2 Inventories

A footnote is added to the end of paragraph BC22. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaced IAS 1 *Presentation of Financial Statements*.

A footnote is added to the end of paragraph BC23. New text is underlined.

- * When it issued IFRS 18, the IASB replaced IAS 1 with IFRS 18.

IAS 7 *Statement of Cash Flows*

Paragraphs BC45–BC60 and their respective headings and subheadings are added. For ease of reading, these paragraphs and their headings and subheadings have not been underlined.

Starting point for the indirect method and the classification of interest and dividends

Background to the 2024 amendments

- BC45 When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB also amended IAS 7:
- (a) to require entities to use the operating profit or loss subtotal as the starting point for the indirect method of reporting cash flows from operating activities; and
 - (b) to introduce new requirements for the classification of interest and dividend cash flows in the statement of cash flows.
- BC46 The amendments were made in response to requests from users of financial statements for requirements that would improve the comparability of one entity's statement of cash flows with those of others by reducing ways in which the statement may be presented.

Starting point for the indirect method

- BC47 The IASB decided to require all entities to use the same starting point for the indirect method because diversity in practice reduces comparability between entities, and so makes analysis by users of financial statements more difficult. The IASB decided to use operating profit or loss, a subtotal in the statement of profit or loss that is required by IFRS 18, as the starting point because:
- (a) an entity using operating profit or loss needs to present fewer adjustments to the starting point, which simplifies the presentation of the operating cash flows category. Fewer adjustments are needed because, compared to profit or loss, operating profit or loss includes fewer items of income and expenses for which the cash effects are classified as investing or financing cash flows. For example, operating profit or loss does not include the share of profit or loss of associates and joint ventures accounted for using the equity method.
 - (b) the difference between cash flows from operating activities and operating profit or loss provides a measure of operating accruals. Some users of financial statements find such a measure useful because it helps them understand how operating profit or loss is converted into cash flows. The IASB acknowledged that the cash conversion analysis may not be as effective given that the operating category as defined in IFRS 18 differs in composition from operating activities as defined in IAS 7.

Classification of interest and dividend cash flows

BC48 Prior to the amendments in 2024, IAS 7 permitted an entity to choose to classify interest and dividend cash flows as operating, investing or financing activities in its statement of cash flows. As a result, classification varied, even among entities in the same industry. The IASB decided to remove the classification choice for most entities, because users of financial statements indicated that diversity in the classification between entities in the same industry:

- (a) reduces comparability, making their analyses more difficult; and
- (b) is often not meaningful—that is, the different classifications of these cash flows do not necessarily convey information about the role of interest and dividends in an entity’s business activities.

Dividends paid

BC49 The IASB decided to require all entities to classify dividends paid as cash flows from financing activities because dividends paid are a cost of obtaining financing. Before the amendments, IAS 7 explained that classifying dividends paid as cash flows from operating activities may assist users of financial statements in determining an entity’s ability to pay dividends out of operating cash flows. However, although this treatment has some merit, the IASB decided there is greater benefit in no longer allowing classification of dividends paid as cash flows from operating activities because:

- (a) classifying dividends paid as a cash flow from operating activities does not provide a faithful representation of the operating cash flows. Dividend payments are financing in nature.
- (b) when assessing cash flows available to pay dividends, users tend to use other measures, such as free cash flow, which take into account cash needed for capital expenditure.
- (c) users can continue to compare dividends paid with cash flows from operating activities if they wish, because paragraph 31 of IAS 7 requires the separate presentation of dividends paid.

Dividends received and interest paid and received

BC50 The IASB decided to adopt a single category approach to classifying dividends received and interest paid and received. This approach generally seeks to align the classification in the statement of profit or loss with the classification in the statement of cash flows. Consequently, the classification of dividends received and interest paid and received depends on the entity’s main business activities (as determined in accordance with IFRS 18).

BC51 When alignment can be achieved, it can increase the understandability of the resulting information. However, the IASB did not seek full alignment between the categories in the statement of profit or loss and the activities in the statement of cash flows. The IASB instead focused on requiring an entity to provide information in the statement of profit or loss that meets the needs of users for that statement. The IASB concluded that classification of interest or

dividend cash flows in a single category in the statement of cash flows is more useful than full alignment between the two statements.

- BC52 Consistent with the classification of income and expenses in the statement of profit or loss, the IASB distinguished between the following types of entities in the requirements for the statement of cash flows:
- (a) entities that invest in assets or provide financing to customers as a main business activity (see paragraphs BC55–BC57); and
 - (b) entities whose main business activities do not include any of those described in (a) (see paragraphs BC53–BC54).
- BC53 The IASB decided to require entities described in paragraph BC52(b) to classify:
- (a) cash receipts from interest and dividends as cash flows from investing activities because, in most cases, the related income is expected to be classified in the investing category in the statement of profit or loss.
 - (b) cash payments arising from interest incurred as cash flows from financing activities because interest paid represents the cost of obtaining financing. The related interest expenses are classified in the financing category in the statement of profit or loss by such entities.
 - (c) cash payments arising from interest capitalised in accordance with IAS 23 *Borrowing Costs* as cash flows from financing activities. The IASB decided on this classification to avoid requiring potentially arbitrary allocations between operating and investing activities and because this approach would result in the consistent classification of interest paid, regardless of whether it has been capitalised.
- BC54 The IASB concluded that classifying interest and dividends in the statement of cash flows as described in paragraph BC53 will align with the classification in the statement of profit or loss in most cases. However, it does not achieve full alignment. For example:
- (a) interest expenses not arising from transactions that involve only the raising of finance, for example the unwinding of the discount of pension liabilities will be classified in the financing category in the statement of profit or loss but the contribution paid to the pension plan is generally classified as cash flows arising from operating activities in the statement of cash flows; and
 - (b) interest capitalised as part of the cost of an item of property, plant and equipment would be recognised in profit or loss as part of depreciation expenses, which would be classified in the operating category in the statement of profit or loss; whereas capitalised interest paid would be classified as cash flows from financing activities in the statement of cash flows.
- BC55 The IASB decided to require entities described in paragraph BC52(a) to classify the total of each type of cash flows (dividends received, interest paid and interest received) in a single category of the statement of cash flows, even if the associated income and expenses are classified in more than one category

in the statement of profit or loss. The IASB concluded that classification in a single category is:

- (a) more useful than alignment with classification in the statement of profit or loss; and
- (b) simpler to apply in practice.

BC56 The IASB expects that, in most cases, an entity applying the requirement described in paragraph BC55 will classify interest payments in the same activity of the statement of cash flows as repayment of the principal. Consequently, the IASB decided to delete the example in paragraph 12 of IAS 7 that illustrated when an entity might classify cash flows from a single transaction in multiple activities in the statement of cash flows.

BC57 The IASB considered, but decided against, an alternative requirement for the entities described in paragraph BC52(a). The rejected proposal would have required such entities to classify dividends received and interest paid and received in multiple activities of the statement of cash flows when the associated income and expenses were classified in multiple categories of the statement of profit or loss. The IASB decided against this approach because it may be costly for entities to split dividends received and interest paid and received between different activities of the statement of cash flows when the associated income and expenses are classified in multiple categories of the statement of profit or loss. The IASB also understands that some users of financial statements question the usefulness of the statement of cash flows for entities of the type described in paragraph BC52(a) and, therefore, the benefits of such an approach may not outweigh the costs.

BC58 The IASB also considered requiring all entities to classify dividends received, interest paid and interest received as operating cash flows. This approach would have had some advantages:

- (a) it would have achieved the IASB's objective of eliminating options for the classification of interest and dividend cash flows.
- (b) it would have allowed users of financial statements easily to identify where in the statement of cash flows dividends received and interest received and paid had been classified because they would all have been classified as operating cash flows. This would have been particularly beneficial to users of financial statements comparing a large number of companies using electronic reports.
- (c) it would have been consistent with the principle in IAS 7 that cash flows from operating activities generally result from the transactions and other events that enter into the determination of profit or loss.
- (d) unlike the approach that the IASB finally decided upon, it would not have required amending the definition of investing activities to include the receipt of interest and dividends.
- (e) it would have been less costly for preparers of financial statements to apply because:

- (i) classifying these cash flows would have been less complex than applying the IASB's final approach; and
- (ii) for many entities this approach would not have resulted in a change to existing practice.

BC59 However, the IASB decided against the approach described in paragraph BC58 because:

- (a) the approach would be inconsistent with the definition of financing activities in IAS 7. The definition in IAS 7 captures interest paid, but in applying this approach interest paid would be classified as cash flows from operating activities.
- (b) the approach would result in less alignment of operating profit or loss with cash flows from operating activities of the statement of cash flows (see paragraph BC51). As a consequence, the difference between cash flows from operating activities and operating profit or loss would be a poorer measure of operating accruals than the difference that would result from applying the approach that the IASB finally decided upon (see paragraph BC47(b)).

BC60 The IASB decided to require an entity to classify dividends received from associates and joint ventures in the statement of cash flows in accordance with the requirements described in paragraphs BC50–BC56. The IASB concluded:

- (a) the measurement basis adopted for associates and joint ventures has no influence on dividends received; and
- (b) there is no reason to require entities that invest in financial assets as a main business activity to classify dividends received from associates and joint ventures that are accounted for using the equity method differently from dividends received from associates and joint ventures that are measured at fair value through profit or loss.

The following footnote is added to 'paragraphs 29–31 of IAS 1 *Presentation of Financial Statements*' in paragraph BC38. New text is underlined.

* In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaced IAS 1 *Presentation of Financial Statements*. Paragraphs 29–31 of IAS 1 have been replaced by paragraphs 19–20 and 41–43 of IFRS 18.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The title of IAS 8 is amended. New text is underlined and deleted text is struck through.

IAS 8 Basis of Preparation of Financial Statements~~Accounting Policies, Changes in Accounting Estimates and Errors~~

Paragraphs BC3A, BC12A, BCZ12B–BCZ12I, BC31A, BCZ31B–BCZ31AD, BCZ37A and DO1–DO5, and their respective headings and subheadings, are added. For ease of reading, these paragraphs and their headings and subheadings have not been underlined. Paragraph BC34 is amended with new text underlined and deleted text struck through. The headings ‘Introduction’ (included above paragraph BC3A) and ‘Amended references to the *Conceptual Framework*’ (included above paragraph BC34) have not been amended but they are included for ease of reference.

Introduction

...

BC3A In April 2024 the Board issued IFRS 18 *Presentation and Disclosure in Financial Statements* which replaced IAS 1 *Presentation of Financial Statements*. In replacing IAS 1 the Board concluded that some requirements setting out general features of financial statements and some disclosure requirements fit better with the content of IAS 8. The Board decided, therefore, to move those requirements from IAS 1 to IAS 8. The requirements that the Board decided to move are: (i) the concepts of fair presentation and compliance with IFRS Accounting Standards, (ii) whether an entity is a going concern, (iii) the accrual basis of accounting and (iv) disclosure of an entity’s selection and application of accounting policies. This Basis for Conclusions includes extracts from the Basis for Conclusions on IAS 1 relating to the paragraphs moved to IAS 8. The Board decided to change the title of IAS 8 to *Basis of Preparation of Financial Statements* to better reflect the amended content of IAS 8.

...

Departures from IFRSs

BC12A In April 2024 when it issued IFRS 18, the Board moved the disclosure requirements relating to fair presentation and compliance with IFRS Accounting Standards from IAS 1 to paragraphs 6A–6J of IAS 8. Extracts from the Basis for Conclusions on IAS 1 relating to those requirements are included in paragraphs BCZ12B–BCZ12I. In those paragraphs cross-references to IAS 1 have been updated to IAS 8 and minor necessary editorial changes have been made.

BCZ12B Paragraph 6E of IAS 8 permits an entity to depart from a requirement in a Standard ‘in the extremely rare circumstances when management concludes that compliance with a requirement in a Standard would be misleading, and therefore that departure from a requirement is necessary to achieve a fair

presentation'. When such a departure occurred, paragraph 6F of IAS 8 requires extensive disclosure of the facts and circumstances surrounding the departure and the treatment adopted.

- BCZ12C The Board decided to clarify in IAS 1 at that time that for financial statements to present fairly the financial position, financial performance and cash flows of an entity, they must represent faithfully the effects of transactions and other events in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the *Framework* at that time. This clarification is now included in paragraph 6A of IAS 8.
- BCZ12D The Board decided to limit the occasions on which an entity should depart from a requirement in an IFRS to the extremely rare circumstances in which management concludes that compliance with the requirement would be so misleading that it would conflict with the objective of financial statements set out in the *Framework* at that time. Guidance on this criterion states that an item of information would conflict with the objective of financial statements when it does not represent faithfully the transactions, other events or conditions that it either purports to represent or could reasonably be expected to represent and, consequently, it would be likely to influence economic decisions made by users of financial statements.
- BCZ12E These amendments provide a framework within which an entity assesses how to present fairly the effects of transactions, other events and conditions, and whether the result of complying with a requirement in an IFRS would be so misleading that it would not give a fair presentation.
- BCZ12F The Board considered whether IAS 1 at that time should be silent on departures from IFRSs. The Board decided against making that change, because it would remove the Board's capability to specify the criteria under which departures from IFRSs should occur.
- BCZ12G Departing from a requirement in an IFRS when considered necessary to achieve a fair presentation would conflict with the regulatory framework in some jurisdictions. IAS 8 takes into account the existence of different regulatory requirements. It requires that when an entity's circumstances satisfy the criterion described in paragraph BCZ12D for departure from a requirement in an IFRS, the entity should proceed as follows:
- (a) when the relevant regulatory framework requires—or otherwise does not prohibit—a departure from the requirement, the entity should make that departure and the disclosures set out in paragraph 6F.
 - (b) when the relevant regulatory framework prohibits departure from the requirement, the entity should, to the maximum extent possible, reduce the perceived misleading aspects of compliance by making the disclosures set out in paragraph 6I.

This amendment enables entities to comply with the requirements of IAS 8 when the relevant regulatory framework prohibits departures from accounting standards, while retaining the principle that entities should, to the maximum extent possible, ensure that financial statements provide a fair presentation.

- BCZ12H After considering the comments received on the exposure draft of 2002, the Board required an entity to disclose the effect of a departure from a requirement of an IFRS in a prior period on the current period's financial statements. Without this disclosure, users of the entity's financial statements could be unaware of the continuing effects of prior period departures.
- BCZ12I In view of the strict criteria for departure from a requirement in an IFRS, IAS 8 includes a rebuttable presumption that if other entities in similar circumstances comply with the requirement, the entity's compliance with the requirement would not be so misleading that it would conflict with the objective of financial statements set out in the *Framework* at that time.

...

Disclosure of selection and application of accounting policies (paragraphs 27A–27I and 31A–31I)

- BC31A In April 2024 when it issued IFRS 18, the Board moved the disclosure requirements relating to an entity's selection and application of accounting policies in IAS 1 to paragraphs 27A–27I of IAS 8. Previously, the Board had amended those disclosure requirements. Extracts from the Basis for Conclusions on IAS 1 relating to those earlier amendments were moved to form part of the Basis for Conclusions on IAS 8 by the Board and are included here as paragraphs BCZ31B–BCZ31AD of this Basis for Conclusions. In those paragraphs cross-references to IAS 1 have been updated to IAS 8 and minor necessary editorial changes have been made.

Disclosure of accounting policies (issued February 2021)

Background

- BCZ31B In March 2017 the Board published the Discussion Paper *Disclosure Initiative – Principles of Disclosure* (Discussion Paper) to help it identify and address issues related to the disclosure of information in financial statements prepared by an entity applying IFRS Standards. One issue related to the disclosure of information about accounting policies.
- BCZ31C The Discussion Paper noted that IAS 1 at that time required entities to disclose their significant accounting policies and that stakeholders, including primary users of financial statements, differ in their views about what constitutes a significant accounting policy.
- BCZ31D Feedback on the Discussion Paper suggested that the Board develop requirements and guidance to help entities make more effective accounting policy disclosures. Feedback from stakeholders suggested that materiality be the basis of such requirements or guidance.
- BCZ31E In August 2019 the Board published the Exposure Draft *Disclosure of Accounting Policies*, which proposed to amend IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements*.

Replacing 'significant' with 'material'

- BCZ31F The Board found that, because 'significant' is not defined in IFRS Standards, entities can have difficulty assessing whether an accounting policy is 'significant'. The Board also noted that entities can have difficulty understanding the difference, if any, between 'significant' and 'material' accounting policies. The Board considered developing a definition of 'significant' but concluded that this approach could have unintended consequences for other uses of the term 'significant' in IFRS Standards.
- BCZ31G Because 'material' is defined in IFRS Standards and is well understood by stakeholders, the Board decided to require entities to disclose their material accounting policy information instead of their significant accounting policies.
- BCZ31H The Board observed that accounting policy information considered in isolation would rarely be assessed as material because it would be unlikely to influence the decisions of users of financial statements. However, accounting policy information may be considered material when that information is considered together with other information in a complete set of financial statements. In the Board's view, accounting policy information is expected to be material if its disclosure were needed for primary users to understand information provided about material transactions, other events or conditions in the financial statements.

Applying the definition of 'material' to accounting policy disclosures

- BCZ31I The Board received comments that:
- (a) accounting policy disclosures are useful to users of financial statements when they:
 - (i) relate to material transactions, other events or conditions; and
 - (ii) provide insight into how an entity has exercised judgement in selecting and applying accounting policies; and
 - (b) users of financial statements find entity-specific information more useful than accounting policy disclosures that:
 - (i) contain standardised information, sometimes called boilerplate information; and
 - (ii) only duplicate or summarise the content of the recognition and measurement requirements of IFRS Standards.
- BCZ31J To assist an entity in determining whether accounting policy information is material to its financial statements and to respond to the feedback described in paragraphs BCZ31D and BCZ31I, the Board added guidance to:
- (a) clarify that not all accounting policy information relating to material transactions, other events or conditions is material (see paragraph 27B of IAS 8). The Board concluded that this amendment would help an entity reduce immaterial accounting policy disclosures in its financial statements.

- (b) provide examples of circumstances in which an entity would normally conclude that information about an accounting policy is material to its financial statements (see paragraph 27C of IAS 8). The examples listed in paragraph 27C are not exhaustive but the Board concluded that they would help an entity determine whether accounting policy information is material.
- (c) explain that entity-specific accounting policy information is more useful to users of financial statements than accounting policy information that is standardised, or that duplicates or summarises the requirements of IFRS Standards (see paragraph 27D of IAS 8). The Board concluded that this amendment would help an entity focus on disclosing accounting policy information that users have identified as the most useful.

BCZ31K The definition of ‘material’ (see Appendix A and paragraphs B1–B5 of IFRS 18) states that ‘materiality depends on the nature or magnitude of information, or both’. Consequently, in assessing whether accounting policy information is material, an entity is required to consider not just the size of the transactions, other events or conditions to which the accounting policy information relates, but also the nature of those transactions, other events or conditions. To clarify this point, the Board included in the amendments an explanation that accounting policy information can be judged material because of the nature of the related transactions, other events or conditions, even if the amounts to which that information relates are immaterial (see paragraph 27B of IAS 8).

BCZ31L Some respondents to the Exposure Draft said that sometimes accounting policy information that includes standardised information or that duplicates or summarises some of the requirements of IFRS Standards can provide users of financial statements with material information. In the Board’s view, accounting policy information that includes standardised information or that duplicates or summarises some of the requirements of IFRS Standards is generally less useful to users than entity-specific accounting policy information. However, the Board agreed that such accounting policy information is expected to be material if it is needed to understand other material information in the financial statements. The Board concluded that when such information is material, it is required to be disclosed.

BCZ31M Such information could be material, for example, when an entity judges the accounting required for a material transaction, other event or condition to be so complex that a primary user would be unable to understand the related material transaction, other event or condition in the absence of that information (see paragraph 27C(e) of IAS 8). The Board acknowledged that because the complexity of accounting required for particular transactions, other events or conditions is ultimately a subjective question, an entity will need to judge whether the relevant accounting is complex. However, the Board concluded that the guidance in the amendments would be sufficient for an entity, auditors, regulators and others to make appropriate judgements about the materiality of such information.

- BCZ31N An entity is permitted to disclose accounting policy information that is standardised, or that duplicates or summarises the requirements of IFRS Standards, even when that information is assessed as immaterial. However, if an entity discloses such information, it shall not obscure material accounting policy information (see paragraph 27E of IAS 8).
- BCZ31O The Board deleted the discussion of ‘measurement basis (or bases)’ that was included in IAS 1 at that time. The Board did so to better enable preparers to apply judgement and thereby disclose only material accounting policy information. In many cases, information about the measurement basis (or bases) used in preparing the financial statements is material. However, in some cases, the measurement basis (or bases) used for a particular asset or liability would not be material and, therefore, would not need to be disclosed. For example, information about a measurement basis might be immaterial if:
- (a) an IFRS Standard required an entity to use a measurement basis—in which case an entity would not apply choice or judgement in complying with the Standard; and
 - (b) information about the measurement basis would not be needed for users to understand the related material transactions, other events or conditions.
- BCZ31P The Board decided to emphasise that the amendments do not relieve an entity from meeting other disclosure requirements within IFRS Standards (see paragraph 27F of IAS 8). For example, if an entity applying the amendments decides that accounting policy information about intangible assets is immaterial to its financial statements, the entity would still need to disclose the information required by IAS 38 *Intangible Assets* that the entity had determined to be material.

References to accounting policies in other IFRS Standards and publications

- BCZ31Q Other IFRS Standards sometimes require an entity to disclose an accounting policy. For example, paragraph 73 of IAS 16 *Property, Plant and Equipment* requires an entity to disclose the measurement bases used for determining the gross carrying amount of property, plant and equipment. The Board considered whether any of these requirements should be changed because of the amendments. However, the Board noted that IAS 1 at that time stated that disclosure requirements in IFRS Standards are subject to materiality judgements—a disclosure required by an IFRS Standard is required to be provided only if the information resulting from that disclosure is material. Consequently, the Board concluded that amendments to requirements relating to accounting policy disclosures in other IFRS Standards are unnecessary.

Effect analysis

- BCZ31R The Board acknowledged that the amendments may have:

- (a) an initial cost to preparers as they change from applying the concept of significance to applying the concept of materiality to accounting policy information; and
- (b) ongoing costs to preparers, because the amendments require an entity to apply its own judgement to determine what accounting policy information is material and should, therefore, be disclosed in the financial statements.

BCZ31S However, in the Board's view, the amendments will improve the relevance of the financial statements by helping an entity to:

- (a) identify and disclose accounting policy information that is material to users of financial statements; and
- (b) remove immaterial accounting policy information that may obscure material accounting policy information.

BCZ31T The Board also expects that the amendments:

- (a) are unlikely to be complex or costly to implement because they do not affect recognition and measurement, and will not require significant system changes to implement; and
- (b) will reduce the cost of preparing and using financial statements by reducing the disclosure of immaterial accounting policy information.

BCZ31U Consequently, the Board expects that the benefits of the amendments will outweigh the costs.

Transition and comparative information

BCZ31V The amendments affect the disclosure of narrative and descriptive information. IAS 1 at that time specified that comparative information is only required for narrative and descriptive information if it is 'relevant to understanding the current period's financial statements'. In the Board's view, providing comparative accounting policy information would be unnecessary in most circumstances because if the accounting policy:

- (a) is unchanged from the comparative periods, the disclosure of the current period's accounting policy is likely to provide users with all the accounting policy information that is relevant to an understanding of the current period's financial statements; or
- (b) has changed from the comparative periods, the disclosures required by paragraphs 28–29 of IAS 8 are likely to provide any information about the comparative period's accounting policies that is relevant to an understanding of the current period's financial statements.

Disclosure of the judgements that management has made in the process of applying the entity's accounting policies

- BCZ31W IAS 8 requires disclosure of the judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements (see paragraph 27G of IAS 8). An example of these judgements is how management determines whether financial assets are held-to-maturity investments. The Board decided that disclosure of the most important of these judgements would enable users of financial statements to understand better how the accounting policies are applied and to make comparisons between entities regarding the basis on which managements make these judgements.
- BCZ31X Comments received on the exposure draft of 2002 indicated that the purpose of the proposed disclosure was unclear. Accordingly, the Board amended the disclosure explicitly to exclude judgements involving estimations (which are the subject of the disclosure in paragraph 31A of IAS 8) and added another four examples of the types of judgements disclosed (see paragraphs 27H and 27I of IAS 8).

Disclosure of major sources of estimation uncertainty

- BCZ31Y IAS 8 requires disclosure of the assumptions concerning the future, and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. For those assets and liabilities, the proposed disclosures include details of:
- (a) their nature; and
 - (b) their carrying amount as at the end of the reporting period (see paragraph 31A of IAS 8).
- BCZ31Z Determining the carrying amounts of some assets and liabilities requires estimation of the effects of uncertain future events on those assets and liabilities at the end of the reporting period. For example, in the absence of recently observed market prices used to measure the following assets and liabilities, future-oriented estimates are necessary to measure the recoverable amount of classes of property, plant and equipment, the effect of technological obsolescence of inventories, provisions subject to the future outcome of litigation in progress, and long-term employee benefit liabilities such as pension obligations. These estimates involve assumptions about items such as the risk adjustment to cash flows or discount rates used, future changes in salaries and future changes in prices affecting other costs. No matter how diligently an entity estimates the carrying amounts of assets and liabilities subject to significant estimation uncertainty at the end of the reporting period, the reporting of point estimates in the statement of financial position cannot provide information about the estimation uncertainties involved in measuring those assets and liabilities and the implications of those uncertainties for the period's profit or loss.

- BCZ31AA The *Framework* at that time stated that ‘The economic decisions that are made by users of financial statements require an evaluation of the ability of an entity to generate cash and cash equivalents and of the timing and certainty of their generation.’ The Board decided that disclosure of information about assumptions and other major sources of estimation uncertainty at the end of the reporting period enhances the relevance, reliability and understandability of the information reported in financial statements. These assumptions and other sources of estimation uncertainty relate to estimates that require management’s most difficult, subjective or complex judgements. Therefore, disclosure in accordance with paragraph 31A of IAS 8 would be made in respect of relatively few assets or liabilities (or classes of them).
- BCZ31AB The exposure draft of 2002 proposed the disclosure of some ‘sources of measurement uncertainty’. In the light of comments received that the purpose of this disclosure was unclear, the Board decided:
- (a) to amend the subject of that disclosure to ‘sources of estimation uncertainty at the end of the reporting period’; and
 - (b) to clarify in the revised Standard that the disclosure does not apply to assets and liabilities measured at fair value based on recently observed market prices (see paragraph 31D of IAS 8).
- BCZ31AC When assets and liabilities are measured at fair value on the basis of recently observed market prices, future changes in carrying amounts would not result from using estimates to measure the assets and liabilities at the end of the reporting period. Using observed market prices to measure assets or liabilities obviates the need for estimates at the end of the reporting period. The market prices properly reflect the fair values at the end of the reporting period, even though future market prices could be different. The objective of fair value measurement is to reflect fair value at the measurement date, not to predict a future value.
- BCZ31AD IAS 8 does not prescribe the particular form or detail of the disclosures. Circumstances differ from entity to entity, and the nature of estimation uncertainty at the end of the reporting period has many facets. IAS 8 limits the scope of the disclosures to items that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The longer the future period to which the disclosures relate, the greater the range of items that would qualify for disclosure, and the less specific are the disclosures that could be made about particular assets or liabilities. A period longer than the next financial year might obscure the most relevant information with other disclosures.
- ...

Amended references to the *Conceptual Framework*

BC34 Following the issue of the revised *Conceptual Framework for Financial Reporting* in 2018 (2018 *Conceptual Framework*), the Board issued *Amendments to References to Conceptual Framework in IFRS Standards*. In IAS 8, that document amended paragraphs 6 and 11(b). That document also amended paragraphs in IAS 1 that have been carried over to paragraphs 6A, 6E–6F, 6I–6J, and 6N of IAS 8.

...

BCZ37A The Board does not expect the replacement of the references to the *Framework* to have a significant effect on the application of IAS 8 for the following reasons:

- (a) in paragraph 6A of IAS 8, replacing the reference to the *Framework* should not change the assessment of whether the financial statements present fairly the financial position, financial performance and cash flows of an entity. Paragraph 6A of IAS 8 explains that the application of IFRS Standards, with additional disclosure when necessary, is presumed to result in financial statements that achieve fair presentation. Revisions of the *Conceptual Framework* will not automatically lead to changes in IFRS Standards. Hence, entities are expected to continue applying IFRS Standards in preparing their financial statements even in cases in which the requirements of a particular Standard depart from aspects of the *Conceptual Framework*.
- (b) in paragraphs 6E–6F and 6I–6J of IAS 8, replacing the reference to the *Framework* means referring to the revised description of the objective of financial statements in the 2018 *Conceptual Framework* instead of the description provided by the *Framework*. The objective did not change substantively—it is an adapted and updated version of the objective of financial statements from the *Framework* and IAS 1 at that time. Hence, applying the revised objective is not expected to lead to changes in the application of the requirements in paragraphs 6E–6F and 6I–6J of IAS 8.
- (c) in paragraph 6N of IAS 8, replacing the reference to the *Framework* in the discussion of the accrual basis of accounting is not expected to result in any changes because no changes were made to the discussion of the accrual basis of accounting in the 2018 *Conceptual Framework*.

Dissenting opinions

Dissent of Françoise Flores from *Disclosure of Accounting Policies*

- DO1 Ms Flores voted against the publication of *Disclosure of Accounting Policies*, which amends IAS 1 and IFRS Practice Statement 2. The reasons for her dissent are set out below.
- DO2 Ms Flores agrees with those amendments to IAS 1 and IFRS Practice Statement 2 which aim to provide primary users of financial statements with all and only relevant accounting policy information. She also supports the Board's past and current efforts to clarify how the concept of materiality should be applied more generally. She agrees with all the amendments except paragraph 117B(e) of IAS 1 and paragraph 88F of IFRS Practice Statement 2.
- DO3 In particular, Ms Flores disagrees with paragraph 117B(e) of IAS 1, which implies that accounting policy information that includes information that is standardised or duplicates the requirements of IFRS Standards could be material when the underlying accounting is complex; and that, therefore, such information is required to be included in the financial statements. Ms Flores believes that the notion of complexity is highly subjective and, therefore, does not constitute a robust basis for a requirement. Introducing such a subjective assessment could, in her view, undermine the overall aim of the amendments, which is to contribute to a better application of the concept of materiality to accounting policy disclosures and thereby help an entity reduce the disclosure of immaterial accounting policy information. Facing such subjective judgements, an entity may opt for 'being on the safe side', providing more information than is required. In her view, paragraph 117B(e) of IAS 1 is an unsatisfactory response to feedback from users of financial statements who said they find entity-specific accounting policy information to be more useful than information that is standardised or that duplicates or summarises the requirements of IFRS Standards.
- DO4 A minority of respondents were concerned that the Board's proposals could be read as prohibiting the publication of any accounting policy information that is standardised, or that duplicates or summarises the requirements of IFRS Standards. Ms Flores believes that the appropriate response would have been to explain that such accounting policy information may, in some circumstances, be useful in providing context for entity-specific information. Such an approach would enhance the readability of entity-specific accounting policy information.
- DO5 Furthermore, Ms Flores notes that paragraph 2.36 of the *Conceptual Framework of Financial Reporting*, paragraph 7 of IAS 1 and the guidance included in paragraphs 13–23 of IFRS Practice Statement 2 state that users of financial statements are expected to have a reasonable knowledge of business and economic activities, but may need to seek the aid of an adviser to cope with perceived complexity. In her view, investors are responsible for ensuring that their economic decisions are derived from a proper and knowledgeable understanding of an entity's financial statements, which includes

understanding the requirements of IFRS Standards. IFRS Standards should be regarded as public knowledge in a financial reporting environment. No mere recitation of the words from the IFRS Standards can meet the definition of material without stretching that definition endlessly. In Ms Flores' view, improving users' understanding of the requirements in IFRS Standards should be achieved through education by the IFRS Foundation. Such an objective should not be achieved by amending the requirements of IFRS Standards.

A footnote is added to the end of paragraph BC3A. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and amended the definition of 'International Financial Reporting Standards (IFRSs)' to 'IFRS Accounting Standards'. All references in this Basis for Conclusions to International Financial Reporting Standards, IFRS Standards or IFRSs refer to IFRS Accounting Standards.

A footnote is added to 'exposure draft of 2002,' in paragraph BCZ12H. New text is underlined.

- * The exposure draft of 2002 refers to the May 2002 Exposure Draft *Improvements to International Accounting Standards* that included proposals to revise IAS 1.

A footnote is added to the end of paragraph BC20. New text is underlined.

- * When it issued IFRS 18, the IASB carried over the definition of 'material' from IAS 1 *Presentation of Financial Statements* to IFRS 18.

A footnote to 'IAS 1.' in paragraph BC21A is amended. New text is underlined and deleted text is struck through.

- * Refer to paragraphs *BCZ26 to BCZ44* of the Basis for Conclusions on IFRS 18 ~~BC13A–BC13T~~ of the Basis for Conclusions on IAS 1.

A footnote is added to 'to disclosures.' in paragraph BC22. New text is underlined.

- * When it issued IFRS 18, the IASB carried over the definition of 'material' from IAS 1 to IFRS 18.

A footnote is added to 'exposure draft of 2002' in paragraphs BCZ31X and BCZ31AB. New text is underlined.

- * The exposure draft of 2002 refers to the May 2002 Exposure Draft *Improvements to International Accounting Standards* that included proposals to revise IAS 1.

A footnote is added to the end of paragraphs BCZ12C and BCZ31AA. New text is underlined.

- * The *Conceptual Framework for Financial Reporting (Conceptual Framework)* replaced the *Framework for the Preparation and Presentation of Financial Statements (Framework)*.

A footnote is added to 'IAS 1 at that time.' in paragraph BCZ37A(b). New text is underlined.

- * When it issued IFRS 18, the IASB replaced the objective of financial statements in IAS 1 with paragraph 9 of IFRS 18.

A footnote to paragraph BC77 of the Basis for Conclusions on IAS 1 was carried over unchanged and added to 'held-to-maturity investments.' in paragraph BCZ31W. New text is underlined.

- * IFRS 9 *Financial Instruments* eliminated the category of held-to-maturity financial assets. This paragraph refers to matters relevant when IAS 1 was issued.

A footnote to paragraph BC83 of the Basis for Conclusions on IAS 1 was carried over unchanged and added to 'predict a future value.' in paragraph BCZ31AC. New text is underlined.

- * IFRS 13 *Fair Value Measurement*, issued in May 2011, defines fair value and contains the requirements for measuring fair value.

A footnote is added to 'IFRS Practice Statement 2.' in paragraph DO1. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. The IASB carried over some paragraphs unchanged from IAS 1 to IFRS 18 and moved paragraphs relating to disclosures of accounting policies from IAS 1 to IAS 8 *Basis of Preparation of Financial Statements*.

A footnote is added to the end of paragraph DO2. New text is underlined.

- * Paragraph 117B(d) of IAS 1 is now paragraph 27C(e) of IAS 8.

A footnote is added to 'perceived complexity.' in paragraph DO5. New text is underlined.

- * The statement that 'users of financial statements are expected to have a reasonable knowledge of business and economic activities, but may need to seek the aid of an advisor to cope with perceived complexity' that was in paragraph 7 of IAS 1 is now in paragraph B5 of IFRS 18.

IAS 10 *Events after the Reporting Period*

A footnote to the title '*IAS 10 Events after the Reporting Period*' is amended. New text is underlined.

- * In September 2007 the IASB amended the title of IAS 10 from *Events after the Balance Sheet Date* to *Events after the Reporting Period* as a consequence of the amendments in IAS 1 *Presentation of Financial Statements* (as revised in 2007). In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 to IFRS 18.

A footnote to 'the balance sheet date' in paragraph BC4 is amended. New text is underlined and deleted text is struck through.

- * IAS 1 ~~*Presentation of Financial Statements*~~ (as revised in 2007) replaced the term 'balance sheet date' with 'end of the reporting period'. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

APRIL 2024

IAS 12 *Income Taxes*

A footnote is added to 'material judgements.' in paragraph BC28. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over the definition of 'material' from IAS 1 *Presentation of Financial Statements* to IFRS 18.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC33. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

IAS 16 *Property, Plant and Equipment*

A footnote is added to the end of paragraph BC16N. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over the requirements to disclose information about estimates and judgements in IAS 1 *Presentation of Financial Statements* to IAS 8 *Basis of Preparation of Financial Statements*.

A footnote is added to 'the offsetting of income and expenses;' in paragraph BC16O. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to 'the presentation of income and expenses as separate line items in the statement of profit or loss.' in paragraph BC16O. New text is underlined.

- * When it issued IFRS 18, the IASB replaced IAS 1 with IFRS 18. IFRS 18 requires an entity to present additional line items in the statement of profit or loss if doing so is necessary to provide a useful structured summary of the entity's income and expenses.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraphs BC25D(b) and BC36B. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8.

IAS 19 *Employee Benefits*

A footnote is added to the end of paragraph BC90. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 *Presentation of Financial Statements* to IFRS 18.

A footnote is added to the end of paragraphs BC94 and BC95. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*,' in paragraph BC173C. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

A footnote is added to the end of paragraph BC201. New text is underlined.

- * When it issued IFRS 18, the IASB replaced IAS 1 with IFRS 18. IFRS 18 includes requirements for classifying the service cost and net interest components in the statement of profit or loss.

A footnote is added to the end of paragraph BC202. New text is underlined.

- * When it issued IFRS 18, the IASB replaced IAS 1 with IFRS 18. IFRS 18 does not require separate presentation of finance costs.

A footnote is added to 'paragraphs 17(c) and 31 of IAS 1,' in paragraph BC209. New text is underlined.

- * When it issued IFRS 18, the IASB replaced paragraph 31 of IAS 1 with paragraphs 19–20 of IFRS 18 and carried over paragraph 17(c) of IAS 1 to paragraph 6C(c) of IAS 8.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*,' in paragraph BC269. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8.

IAS 21 *The Effects of Changes in Foreign Exchange Rates*

A footnote to 'separate component of equity' in paragraph BC25A is amended. New text is underlined.

- * As a consequence of the revision of IAS 1 *Presentation of Financial Statements* in 2007 such differences are recognised in other comprehensive income. In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to 'paragraphs 125–133 of IAS 1 *Presentation of Financial Statements*;' in paragraph BC59. New text is underlined.

- * When it issued IFRS 18, the IASB carried over paragraphs 125–133 of IAS 1 to paragraphs 31A–31I of IAS 8 *Basis of Preparation of Financial Statements*.

A footnote is added to 'paragraph 122 of IAS 1' in paragraph BC61. New text is underlined.

- * When it issued IFRS 18, the IASB carried over paragraph 122 of IAS 1 to paragraph 27G of IAS 8.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;' in paragraph BC63. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8.

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IAS 23 *Borrowing Costs*

A footnote is added to the end of paragraph BC26. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaced IAS 1 *Presentation of Financial Statements*. IFRS 18 does not require separate presentation of finance costs.

IAS 27 *Separate Financial Statements*

A footnote is added to the end of paragraph BC28. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 *Presentation of Financial Statements* to IFRS 18.

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IAS 28 *Investments in Associates and Joint Ventures*

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC19I. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC50A. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8.

IAS 32 *Financial Instruments: Presentation*

A footnote is added to the end of paragraph BC4H. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 *Presentation of Financial Statements* to IFRS 18.

In paragraph BC8 the footnote to 'income statement' is amended. New text is underlined and deleted text is struck through.

- * IAS 1 ~~*Presentation of Financial Statements*~~ (as revised in 2007) required ~~requires~~ an entity to present all income and expense items in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

In paragraph BC8 the footnote to 'balance sheet' is amended. New text is underlined.

- * IAS 1 (revised 2007) replaced the term 'balance sheet' with 'statement of financial position'. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

In paragraph BC22 the footnote to 'balance sheet' is amended. New text is underlined.

- * IAS 1 (as revised 2007) replaced the term 'balance sheet' with 'statement of financial position'. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC74. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

IAS 33 Earnings per Share

Paragraphs BC16–BC18 are added. For ease of reading, these paragraphs have not been underlined. The heading ‘Other changes’ (included above paragraph BC16 in this document) has not been amended but it is included for ease of reference.

Other changes

...

- BC16 IFRS 18 *Presentation and Disclosure in Financial Statements* amended the disclosure requirements in IAS 33 to specify the numerator (or numerators) entities can use to calculate amounts per share using a measure of performance. When disclosing additional amounts per share, an entity can only use as the numerator an amount attributable to ordinary equity holders of the parent of totals or subtotals in paragraphs 69, 86 and 118 of IFRS 18 or a management-defined performance measure as defined by IFRS 18.
- BC17 The IASB concluded that it was necessary to specify the numerator (or numerators) an entity can use when disclosing additional amounts per share to ensure that users of financial statements receive the same information about additional amounts per share as they receive for management-defined performance measures. Therefore, the IASB considered the implications of this restriction for entities required by local law or regulation to disclose amounts per share in addition to basic and diluted earnings per share as required by IAS 33. If such an entity concludes that a numerator required by local law or regulation meets the definition of a management-defined performance measure in IFRS 18, that entity would be permitted to disclose the amount per share in its financial statements.
- BC18 IFRS 18 also amended IAS 33 to specify that information about amounts per share, in addition to information about basic and diluted earnings per share as required by IAS 33, may only be disclosed in the notes and may not be presented in the primary financial statements. The IASB concluded that additional amounts per share calculations require additional information and reconciliation to the measures presented in the primary financial statements to be understood by users of financial statements. This additional information and reconciliations can only be provided in the notes. Disclosure in the notes also addresses the concerns of some stakeholders that adjusted measures of performance should not be given more prominence than measures specified by IFRS Accounting Standards.

IAS 34 *Interim Financial Reporting*

Paragraphs BCZ5A and BC10A–BC10C and their subheading are added. For ease of reading, these paragraphs and the subheading have not been underlined. The headings ‘Content of an interim financial report’ (included above paragraph BCZ5A), ‘Selected explanatory notes’ (included above paragraph BC10A), and the subheading ‘Other disclosures incorporated by cross-reference to information outside the interim financial statements’ (also included above paragraph BC10A) have not been amended but they are included for ease of reference.

Content of an interim financial report

...

BCZ5A The Board decided not to reflect in paragraph 8 of IAS 34 (which sets out the minimum components of an interim financial report) its decision to require in a complete set of financial statements a statement of financial position as at the beginning of the earliest comparative period. IAS 34 has a year-to-date approach to interim reporting and does not replicate the requirements in IFRS 18 *Presentation and Disclosure in Financial Statements* in terms of comparative information.

Selected explanatory notes

...

Other disclosures incorporated by cross-reference to information outside the interim financial statements

...

Management-defined performance measures

BC10A IFRS 18 amended the disclosure requirements for interim financial reporting. Under IAS 34, as amended by IFRS 18, an entity is required to make disclosures about its management-defined performance measures in the notes to its condensed interim financial statements; they are the same disclosures as those that are required in an entity’s complete set of financial statements by paragraphs 121–125 of IFRS 18. The IASB concluded that requiring information about management-defined performance measures in interim financial reports would provide users of financial statements with transparent information about these measures and allow them to analyse all aspects of an entity’s performance on a timely basis.

BC10B Consistent with the objective of condensed interim financial reports, an entity would not need to duplicate previously reported information about management-defined performance measures—for example, information about why an entity’s management thinks a management-defined performance measure communicates aspects of the entity’s performance.

BC10C Some preparers of financial statements were concerned about the costs of preparing a disclosure of the effects of income tax and non-controlling interest of reconciling items between the management-defined performance measure and the most directly comparable subtotal listed in paragraph 118 or total or subtotal specifically required to be presented or disclosed by IFRS Accounting Standards. In response to these concerns, the IASB considered not requiring this disclosure in condensed financial statements. However, it rejected this approach because omitting this information from condensed financial statements could, the IASB decided, undermine the usefulness of the disclosure of management-defined performance measures. The IASB noted that its requirements in paragraph B141 of IFRS 18 for determining the tax effect of management-defined performance measure adjustments should also reduce the costs of providing this information.

A footnote is added to 'IAS 1 *Presentation of Financial Statements*.' in paragraph BC5. New text is underlined.

* In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over paragraphs 10(ea) and 10(f) of IAS 1 *Presentation of Financial Statements* to paragraphs 10(f) and 10(g) of IFRS 18.

A footnote is added to 'IAS 1 *Presentation of Financial Statements* in 2007.' in paragraph BC12. New text is underlined.

* When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

IAS 36 *Impairment of Assets*

A footnote to 'the income statement' in paragraph BCZ108 is amended. New text is underlined and deleted text is struck through.

- * IAS 1 *Presentation of Financial Statements* (as revised in 2007) ~~required~~ requires an entity to present all income and expense items in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 to IFRS 18.

A footnote to 'directly in equity' in paragraph BCZ108 is amended. New text is underlined.

- * As a consequence of the revision of IAS 1 (revised 2007) an impairment loss is recognised in other comprehensive income. The IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote to 'IAS 8 *Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies*' in paragraph BCZ184(c) is amended. New text is underlined.

- * IAS 8 *Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies* was superseded in 2003 by IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. When it issued IFRS 18, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

A footnote is added to 'concept of materiality as described in IAS 1 *Presentation of Financial Statements* (see paragraph 31 of IAS 1)' in paragraph BC209M. New text is underlined.

- * When it issued IFRS 18, the IASB carried over the definition of 'material' from IAS 1 *Presentation of Financial Statements* to IFRS 18 and replaced paragraph 31 of IAS 1 with paragraphs 19–20 of IFRS 18.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph BC209M. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8.

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IAS 37 Provisions, Contingent Liabilities and Contingent Assets

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph BC21. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

IAS 38 *Intangible Assets*

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.' in paragraph BC90. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

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IAS 40 *Investment Property*

Basis for Conclusions on IAS 40 (2000) *Investment Property*

A footnote to 'IAS 8 *Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies*,' in paragraph B50 is amended. New text is underlined and deleted text is struck through.

- * Revised ~~revised~~ by the IASB in 2003 as IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

IAS 41 *Agriculture*

Basis for IASC's Conclusions on IAS 41 *Agriculture*

In paragraph B38 the footnote to 'net profit or loss' is amended. New text is underlined.

- * IAS 1 *Presentation of Financial Statements* (revised in 2003) replaced the term 'net profit or loss' with 'profit or loss'. In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 to IFRS 18.

In paragraph B82(h) the footnote to 'net profit or loss' is amended. New text is underlined.

- * IAS 1 *Presentation of Financial Statements* (revised in 2003) replaced the term 'net profit or loss' with 'profit or loss'. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to 'IAS 1 *Presentation of Financial Statements*;' in paragraph B82(k) (i). New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC12. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

In paragraph BC25(a) the footnote at the end of the first sentence is amended. New text is underlined.

- * IAS 1 *Presentation of Financial Statements* (revised 2007) replaced the term 'balance sheet date' with 'end of the reporting period'. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

In paragraph BC25(b) the footnote to 'equity;' is amended. New text is underlined and deleted text is struck through.

- * As a consequence of the revision of IAS 1 ~~*Presentation of Financial Statements*~~ in 2007 the increase is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

In paragraph BC29 the footnote at the end of the paragraph is amended. New text is underlined and deleted text is struck through.

- * As a consequence of the revision of IAS 1 ~~*Presentation of Financial Statements*~~ in 2007 such changes are presented in the statement of comprehensive income. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

IFRIC 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC5. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

IFRIC 7 *Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, paragraph 16,' in paragraph BC17. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

In paragraph BC24 the footnote to 'explains:' is amended. New text is underlined.

- * Paragraph 18 has been amended as a consequence of the changes made by IAS 1 *Presentation of Financial Statements* (as revised in 2007). When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

In paragraph BC24 the footnote to '*income statement*,' is amended. New text is underlined and deleted text is struck through.

- * IAS 1 (revised 2007) required ~~requires~~ an entity to present all income and expense items in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

In paragraph BC24 the footnote to '*charged to equity*' is amended. New text is underlined.

- * Under IAS 1 (revised 2007), such effect is recognised in other comprehensive income. When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

IFRIC 12 *Service Concession Arrangements*

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC14. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements in April 2024*, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC72. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8.

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IFRIC 17 *Distributions of Non-cash Assets to Owners*

A footnote is added to 'IAS 1 *Presentation of Financial Statements* (as revised in 2007),' in paragraph BC36. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 *Presentation of Financial Statements* to IFRS 18.

A footnote is added to the end of paragraphs BC41, BC44, BC45, BC48 and BC54. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these requirements in IAS 1 to IFRS 18.

A footnote is added to the end of paragraph BC46. New text is underlined.

- * When it issued IFRS 18, the IASB carried over paragraph 88 of IAS 1 to paragraph 46 of IFRS 18.

IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*

A footnote is added to '(paragraph 85 of IAS 1 *Presentation of Financial Statements*)' in paragraph BC32(b). New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and replaced paragraph 85 of IAS 1 with paragraph 77 of IFRS 18.

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC33. New text is underlined.

- * When it issued IFRS 18, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

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IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC20. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

IFRIC 21 *Levies*

A footnote is added to 'IAS 1 *Presentation of Financial Statements*' in paragraph BC21.
New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over the requirements about the accrual basis of accounting and the going concern assumption in IAS 1 *Presentation of Financial Statements* to IAS 8 *Basis of Preparation of Financial Statements*.

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IFRIC 23 *Uncertainty over Income Tax Treatments*

A footnote is added to 'IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*' in paragraph BC21. New text is underlined.

- * When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.

A footnote is added to the end of the first sentence of paragraph BC22. New text is underlined.

- * When it issued IFRS 18, the IASB carried over these disclosure requirements in IAS 1 *Presentation of Financial Statements* to IAS 8.

SIC-29 *Service Concession Arrangements: Disclosures*

A footnote is added to the references to IAS 1 in the italicised and underlined text above paragraph 10. New text is underlined.

- * In April 2024 the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* and carried over these requirements in IAS 1 *Presentation of Financial Statements to IFRS 18*.