

# IASB finalises volume 11 of annual improvements

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18 Jul 2024

The International Accounting Standards Board (IASB) has published 'Annual Improvements to IFRS Accounting Standards — Volume 11'. It contains amendments to five standards as result of the IASB's annual improvements project. The amendments are effective for annual reporting periods beginning on or after 1 January 2026.

The IASB uses the annual improvements process to make necessary, but non-urgent, amendments to IFRSs that will not be included as part of another major project.

The pronouncement comprises the following amendments:

Standard	Subject of amendment
<a href="#">IFRS 1</a> <i>First-time Adoption of International Financial Reporting Standards</i>	<b>Hedge accounting by a first-time adopter.</b> The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of IFRS 1 and requirements for hedge accounting in IFRS 9 <i>Financial Instruments</i> .
<a href="#">IFRS 7</a> <i>Financial Instruments: Disclosures</i>	<b>Gain or loss on derecognition.</b> The amendment addresses a potential confusion in paragraph B38 of IFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when IFRS 13 <i>Fair Value Measurement</i> was issued.
<a href="#">IFRS 7</a> <i>Financial Instruments: Disclosures</i> (implementation guidance only)	<b>Disclosure of deferred difference between fair value and transaction price.</b> The amendment addresses an inconsistency between paragraph 28 of IFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of IFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance.
<a href="#">IFRS 7</a> <i>Financial Instruments: Disclosures</i> (implementation guidance only)	<b>Introduction and credit risk disclosures.</b> The amendment addresses a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 and by simplifying some explanations.
<a href="#">IFRS 9</a> <i>Financial Instruments</i>	<b>Lessee derecognition of lease liabilities.</b> The amendment addresses a potential lack of clarity in the application of the requirements in IFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of IFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of IFRS 9.

<b>IFRS 9</b> <i>Financial Instruments</i>	<b>Transaction price.</b> The amendment addresses a potential confusion arising from a reference in Appendix A to IFRS 9 to the definition of ‘transaction price’ in IFRS 15 <i>Revenue from Contracts with Customers</i> while term ‘transaction price’ is used in particular paragraphs of IFRS 9 with a meaning that is not necessarily consistent with the definition of that term in IFRS 15.
<b>IFRS 10</b> <i>Consolidated Financial Statements</i>	<b>Determination of a ‘de facto agent’.</b> The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.
<b>IAS 7</b> <i>Statement of Cash Flows</i>	<b>Cost method.</b> The amendment addresses a potential confusion in applying paragraph 37 of IAS 7 that arises from the use of the term ‘cost method’ that is no longer defined in IFRS Accounting Standards.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

The amendments do not include transition requirements, other than that an entity is required to apply the amendment to IFRS 9:2.1(b)(ii) to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment.

Please click for the following additional information:

- [Press release on the IFRS Foundation website](#)
- Our IAS Plus project page on [Annual improvements — Volume 11](#)