



IFR bulletins & IFRS News



Amendments to IAS 40 Investment Property (Transfers of Investment Property) have been endorsed by the European Union.

The Amendments to IAS 40, which were originally issued by the International Accounting Standards Board (IASB) in December 2016, reinforces the principle in IAS 40 of what a change in use would involve. Specifically the amendments clarify that a change in management's intentions for the use of a property does not in isolation provide evidence of a change in use. The amendment also re-characterised the list of circumstances in paragraph 57 of IAS 40 as non-exhaustive examples of circumstances which would evidence a change in use. The amendments to IAS 40 apply to periods beginning on or after 1 January 2018, with application in earlier accounting periods permitted.

The current endorsement status of all standards, amendments to standards, and interpretations issued by the IASB is available from the European Fi-

ancial Reporting Advisory Group's (EFRAG's) web site [here](#).

The International Accounting Standards Board (IASB) has issued an Exposure Draft (ED) proposing narrow-scope amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

In deciding how far back to go in applying a change in accounting policy that results from an agenda decision made by the IFRS Interpretations Committee, the ED proposes that companies should consider not only whether it is practicable but also the benefits to users and costs to the company of making the change.

The deadline for submitting comment letters to the IASB is 27 July 2018.

Further information and the ED is available from the IASB's web site [here](#).

The International Accounting Standards Board (IASB) has issued a revised Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised version introduces a number of new aspects compared to the previous version issued in 2010, specifically including:

- concepts on measurement, including factors to be considered when selecting a measurement basis
- concepts on presentation and disclosure, including when to classify income and expenses in other comprehensive income
- guidance on when assets and liabilities are removed from financial statements

It also updates

- the definitions of asset and liability; and
- the criteria for recognising assets and liabilities in financial statements

Finally it has clarified the guidance on prudence, stewardship, measurement uncertainty, and substance over form.

Further information is available from the IASB's web site [here](#).

The European Securities and Markets Authority (ESMA) has published its 2017 Annual Report on the Enforcement and Regulatory Activities of accounting enforcers in the European Union.

The report identifies that in 2017 national enforcers reviewed the financial statements of 1,141 issuers (approximately 19% of issuers of securities listed on EU regulated markets), which led to action against 328 (32%) of the issuers examined. Areas where most infringements were identified by European enforcers remained the same comparing with 2016 and 2015, and related mainly to presentation of financial statements, accounting for financial instruments and impairment of non-financial assets.

In 2018 accounting enforcers will focus on the disclosure of the expected impact of the implementation of the new standards IFRS 9 and IFRS 15 in the period of their initial application. Furthermore, in light of the emphasis on transitioning to a sustainable financial system in the EU and the new requirements regarding the disclosure of non-financial information, ESMA will coordinate the enforcement activities related to both non-financial and corporate governance information.

Further information, including access to the 2017 annual report, is available from ESMA's web site [here](#).



IFRS Intelligence & IFRS in Practice



IFRS in Practice - IFRS 16 Leases

This BDO IFRS In Practice details the requirements of IFRS 16 *Leases* and includes numerous practical examples.

In January 2016 the IASB published IFRS 16 *Leases*, which is effective for accounting periods beginning on or after 1 January 2019. Early adoption is permitted, but only if IFRS 15 *Revenue from Contracts with Customers* has also been adopted.

IFRS 16 brings significant changes in accounting requirements for lease accounting, primarily for lessees, resulting in lease liabilities and right-of-use assets being recognised on balance sheet for lease contracts currently classified as operating leases. Entities applying IFRS will also need to pay careful attention to whether wider service contracts contain lease components.

IFRS 16 has been developed to replace the existing suite of standards and interpretations on leases, notably IAS 17 *Leases*.

Please click [here](#) to access the new publication and the full library of BDO's IFRS in Practice publications.

IFRS in Practice - IFRS 9 Financial Instruments

This BDO IFRS in Practice publication sets out practical information and examples about the application of key aspects of IFRS 9. IFRS 9 (2014) has been developed by the International Accounting Standards Board (IASB) to replace IAS 39 *Financial Instruments: Recognition and Measurement*. The IASB completed IFRS 9 in July 2014, by publishing a final standard which incorporates the final requirements of all three phases of the financial instruments projects, being:

- Classification and Measurement,
- Impairment, and
- Hedge Accounting

The IASB's project was initially carried out as a joint project with the US Financial Accounting Standards Board (FASB). However, the FASB ultimately decided to make more limited changes to the classification and measurement of financial instruments, and to develop a more US specific impairment model for financial assets.

Please click [here](#) to access the new publication and the full library of BDO's IFRS in Practice publications.



BDO Greece
449, Mesogeion Avenue
153 43 Agia Paraskevi
Athens, Greece

Tel: +30 211 10 32 000
Tel: +30 210 82 53 078/9
Fax: +30 210 82 52 133
info@bdo.gr

www.bdo.gr

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