

CPA Canada handbook – accounting, part I

highlight summary no. I.68

September 2021

(Note: Any changes to previously issued standards are identified in the effective date guidance in each affected standard.)

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IFRS 1 and IAS 12)

IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 12 *Income Taxes* have been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in May 2021. The amendments clarify the accounting for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in IAS 12 no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

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