

CICA handbook – accounting, part I

highlight summary no. I.22

September 2013

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

IAS 36 *Impairment of Assets* has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in May 2013. The amendments more accurately reflect the IASB's previous decision to require:

- the disclosure of the recoverable amount of impaired assets; and
- additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount.

The amendments are effective for annual periods beginning on or after January 1, 2014 and have been incorporated into the "IFRSs in Effect on January 1, 2014" section. Earlier application is permitted if the amendments to IAS 36 and IFRS 13 *Fair Value Measurement* are applied at the same time.

Paragraphs that have been added or amended are identified in the effective date guidance in the standard.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

IAS 39 *Financial Instruments: Recognition and Measurement* has been revised to incorporate amendments issued by the IASB in June 2013. The amendments clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting.

The amendments are effective for annual periods beginning on or after January 1, 2014 and have been incorporated into the "IFRSs in Effect on January 1, 2014" section. Earlier application is permitted.

Paragraphs that have been added or amended are identified in the effective date guidance in the standard.

IFRIC 21 Levies

This new interpretation was issued by the IASB in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

The main features of IFRIC 21 are as follows:

- the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation; and
- the liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

The interpretation is effective for annual periods beginning on or after January 1, 2014 and has been incorporated into the "IFRSs in Effect on January 1, 2014" section. Earlier application is permitted.

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