

CPA Canada handbook – accounting, part I

highlight summary no. I.24

March 2014

Annual Improvements to IFRSs 2010–2012 Cycle

The following standards have been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in December 2013:

- IFRS 2 *Share-based Payment* – The amendments clarify the definition of vesting conditions.
- IFRS 3 *Business Combinations* – The amendments clarify the accounting for contingent consideration in a business combination.
- IFRS 8 *Operating Segments* – The amendments add a disclosure requirement for the aggregation of operating segments and clarify the reconciliation of the total reportable segments' assets to the entity's assets.
- IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* – The amendments clarify the requirements for the revaluation model regarding the proportionate restatement of accumulated depreciation.
- IAS 24 *Related Party Disclosures* – The amendments clarify the identification and disclosure requirements for related party transactions when key management personnel services are provided by a management entity.

The amendments are effective for annual periods beginning on or after July 1, 2014. Earlier application is permitted.

Paragraphs that have been added or amended are identified in the effective date guidance in all affected standards.

Annual Improvements to IFRSs 2011–2013 Cycle

The following standards have been revised to incorporate amendments issued by the IASB in December 2013:

- IFRS 3 *Business Combinations* – The amendments modify the scope exception for joint ventures to exclude the formation of all types of joint arrangements and clarify that the scope exception applies only to the financial statements of the joint arrangement itself.
- IFRS 13 *Fair Value Measurement* – The amendments clarify that the portfolio exception applies to all contracts within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* or IFRS 9 *Financial Instruments*, regardless of whether they are financial assets or financial liabilities.
- IAS 40 *Investment Property* – The amendments clarify that judgment is required to determine whether the acquisition of investment property is the acquisition of an asset, a group of assets or a business combination in the scope of IFRS 3 and that this judgment is based on the guidance in IFRS 3, not IAS 40.

The amendments are effective for annual periods beginning on or after July 1, 2014. Earlier application is permitted.

Paragraphs that have been added or amended are identified in the effective date guidance in all affected standards.

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