

## CPA Canada handbook – accounting, part I

### highlight summary no. I.45

#### April 2018

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

#### **Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)**

IAS 19 *Employee Benefits* has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in February 2018. The amendments clarify:

- that when a defined benefit plan amendment, curtailment or settlement occurs and an entity remeasures its net defined benefit liability or asset, the entity uses the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan; and
- the effect of a plan amendment, curtailment or settlement on the asset ceiling requirements.

The amendments are effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted.

#### **Annual Improvements to IFRS® Standards 2015–2017 Cycle**

The following standards have been revised to incorporate amendments issued by the IASB in December 2017:

- IFRS 3 *Business Combinations* – The amendments clarify that when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in that business.
- IFRS 11 *Joint Arrangements* – The amendments clarify that when an entity obtains joint control of a business that is a joint operation, it does not remeasure previously held interests in that business.
- IAS 12 *Income Taxes* – The amendments clarify that an entity recognizes income tax consequences of dividends in profit or loss, other comprehensive income or equity, depending on where the entity recognized the originating transaction or event that generated the distributable profits giving rise to the dividend.
- IAS 23 *Borrowing Costs* – The amendments clarify that an entity treats as general borrowings any borrowings made specifically to obtain a qualifying asset that remain outstanding when the asset is ready for its intended use or sale.

The amendments are effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted.

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