

CPA Canada handbook – accounting, part I

highlight summary no. I.66

June 2021

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

Due Process – Endorsement Activities

As part of its due process, the Accounting Standards Board carries out endorsement activities throughout the life of IFRS® Standards projects and before considering the incorporation into the Handbook of new or amended standards issued by the IASB. A summary of the endorsement activities carried out in support of the changes made to the IFRS Standards in Part I during 2020 has been added.

Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS® Practice Statement 2

IAS 1 *Presentation of Financial Statements* has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in February 2021. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies. The IASB has developed guidance and examples to help entities apply materiality judgments to accounting policy disclosure.

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

Definition of Accounting Estimates—Amendments to IAS 8

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* has been revised to incorporate amendments issued by the IASB in February 2021. The amendments introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates.

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

IFRS 7 Non-authoritative Material

The Basis for Conclusions includes amendments made subsequently by the IASB for *Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS® Practice Statement 2*. These amendments to the Basis for Conclusions issued by the IASB in February 2021 that accompany, but are not part of, IFRS 7 have been added.

IAS 8 Non-authoritative Material

The Illustrative Examples include amendments made subsequently by the IASB for *Definition of Accounting Estimates – Amendments to IAS 8*. These amendments to the Illustrative Examples issued by the IASB in February 2021 that accompany, but are not part of, IAS 8 have been added.

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