

New Amendments Effective 1 January 2022

August 2021

The amendments alongside become effective for periods beginning on or after 1 January 2022. Entities should ensure that the effects are understood and assess whether these have been appropriately taken into account, where applicable.

Amendment	Details
Annual Improvements to IFRS 2018 – 2020 Cycle	<p><i>IFRS 1 –</i></p> <p>The IASB has extended an optional exemption which is available to subsidiaries. The exemption allows a subsidiary which becomes a first-time adopter after its parent to measure cumulative foreign currency translation differences for all foreign operations using the amounts reported by the parent, based on the parent's date of transition to IFRS.</p> <p><i>IFRS 9 - Applying the 10 percent test</i></p> <p>The amendment specifies that only fees paid or received between the borrower and lender should be included when performing the "10 per cent test" which is used to assess whether an entity should derecognise a financial liability.</p> <p><i>IFRS 16 - Amendment to Illustrative Example 13</i></p> <p>The amendment removes the illustration of the reimbursement of leasehold improvements by the lessor from the example. This amendment does not change the requirements of IFRS 16. Therefore, does not have an effective date.</p> <p><i>IAS 41 - Taxation in fair value measurements</i></p> <p>Based on the amendment, entities are no longer required to remove taxation cash flows when determining fair value using a present value technique.</p>
Amendment: IAS 16 Property, plant and equipment (Proceeds before intended use)	<p>The amendment requires entities to recognise the costs and proceeds from selling items produced while bringing an asset into the condition and location necessary for it to capable of operating in the manner intended by management in profit or loss. Such costs and proceeds may not be deducted from the cost of an item of property, plant and equipment.</p>
Amendment IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Costs of fulfilling a contract)	<p>The amendment clarifies which costs an entity should consider when determining whether a contract will be loss-making. The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour, materials) or an allocation of other costs that relate directly to fulfilling contract (e.g. allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).</p>