

Commission Regulation (EU) No 1254/2012 of 11 December 2012 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 10, International Financial Reporting Standard 11, International Financial Reporting Standard 12, International Accounting Standard 27 (2011), and International Accounting Standard 28 (2011) (Text with EEA relevance) (revoked)

- Article 1 (1) The Annex to Regulation (EC) No 1126/2008 is amended as...  
Article 2 Each company shall apply IFRS 10, IFRS 11, IFRS 12,...  
Article 3 This Regulation shall enter into force on the third day...  
Signature

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## ANNEX

### INTERNATIONAL ACCOUNTING STANDARDS

#### INTERNATIONAL FINANCIAL REPORTING STANDARD 10

##### OBJECTIVE

- 1 The objective of this IFRS is to establish principles for...  
Meeting the objective  
2 To meet the objective in paragraph 1, this IFRS:  
3 This IFRS does not deal with the accounting requirements for...

##### SCOPE

- 4 An entity that is a parent shall present consolidated financial...  
Control  
5 An investor, regardless of the nature of its involvement with...  
6 An investor controls an investee when it is exposed, or...  
7 Thus, an investor controls an investee if and only if...  
8 An investor shall consider all facts and circumstances when assessing...  
9 Two or more investors collectively control an investee when they...  
Power  
10 An investor has power over an investee when the investor...  
11 Power arises from rights. Sometimes assessing power is straightforward, such...  
12 An investor with the current ability to direct the relevant...  
13 If two or more investors each have existing rights that...  
14 An investor can have power over an investee even if...  
Returns  
15 An investor is exposed, or has rights, to variable returns...  
16 Although only one investor can control an investee, more than...  
Link between power and returns  
17 An investor controls an investee if the investor not only...

18 Thus, an investor with decision-making rights shall determine whether it...

#### ACCOUNTING REQUIREMENTS

19 A parent shall prepare consolidated financial statements using uniform accounting...

20 Consolidation of an investee shall begin from the date the...

21 Paragraphs B86–B93 set out guidance for the preparation of consolidated...

#### Non-controlling interests

22 A parent shall present non-controlling interests in the consolidated statement...

23 Changes in a parent's ownership interest in a subsidiary that...

24 Paragraphs B94–B96 set out guidance for the accounting for non-controlling...

#### Loss of control

25 If a parent loses control of a subsidiary, the parent...

26 Paragraphs B97–B99 set out guidance for the accounting for the...

#### Appendix A Defined terms

#### Appendix B Application guidance

B1 The examples in this appendix portray hypothetical situations. Although some...

#### ASSESSING CONTROL

B2 To determine whether it controls an investee an investor shall...

B3 Consideration of the following factors may assist in making that...

B4 When assessing control of an investee, an investor shall consider...

#### Purpose and design of an investee

B5 When assessing control of an investee, an investor shall consider...

B6 When an investee's purpose and design are considered, it may...

B7 To determine whether an investor controls an investee in more...

B8 An investee may be designed so that voting rights are...

#### Power

B9 To have power over an investee, an investor must have...

B10 The determination about whether an investor has power depends on...

#### Relevant activities and direction of relevant activities

B11 For many investees, a range of operating and financing activities...

B12 Examples of decisions about relevant activities include but are not...

B13 In some situations, activities both before and after a particular...

#### Application examples

Example 1

Example 2

Rights that give an investor power over an investee

- B14 Power arises from rights. To have power over an investee,...
- B15 Examples of rights that, either individually or in combination, can...
- B16 Generally, when an investee has a range of operating and...
- B17 When voting rights cannot have a significant effect on an...
- B18 In some circumstances it may be difficult to determine whether...
- B19 Sometimes there will be indications that the investor has a...
- B20 The greater an investor's exposure, or rights, to variability of...
- B21 When the factors set out in paragraph B18 and the...
- Substantive rights
- B22 An investor, in assessing whether it has power, considers only...
- B23 Determining whether rights are substantive requires judgement, taking into account...
- B24 To be substantive, rights also need to be exercisable when...
- Application examples
- Example 3
- Example 3A
- Example 3B
- Example 3C
- Example 3D
- B25 Substantive rights exercisable by other parties can prevent an investor...
- Protective rights
- B26 In evaluating whether rights give an investor power over an...
- B27 Because protective rights are designed to protect the interests of...
- B28 Examples of protective rights include but are not limited to:...
- Franchises
- B29 A franchise agreement for which the investee is the franchisee...
- B30 Generally, franchisors' rights do not restrict the ability of parties...
- B31 It is necessary to distinguish between having the current ability...
- B32 By entering into the franchise agreement the franchisee has made...
- B33 Control over such fundamental decisions as the legal form of...
- Voting rights
- B34 Often an investor has the current ability, through voting or...

**Changes to legislation:** There are currently no known outstanding effects for the Commission Regulation (EU) No 1254/2012. (See end of Document for details)

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- Power with a majority of the voting rights
- B35 An investor that holds more than half of the voting...
- Majority of the voting rights but no power
- B36 For an investor that holds more than half of the...
- B37 An investor does not have power over an investee, even...
- Power without a majority of the voting rights
- B38 An investor can have power even if it holds less...
- Contractual arrangement with other vote holders
- B39 A contractual arrangement between an investor and other vote holders...
- Rights from other contractual arrangements
- B40 Other decision-making rights, in combination with voting rights, can give...
- The investor's voting rights
- B41 An investor with less than a majority of the voting...
- B42 When assessing whether an investor's voting rights are sufficient to...
- B43 When the direction of relevant activities is determined by majority...  
Application examples  
Example 4  
Example 5
- B44 In other situations, it may be clear after considering the...  
Application example  
Example 6
- B45 However, the factors listed in paragraph B42(a)–(c) alone may not...  
Application examples  
Example 7  
Example 8
- B46 If it is not clear, having considered the factors listed...
- Potential voting rights
- B47 When assessing control, an investor considers its potential voting rights...
- B48 When considering potential voting rights, an investor shall consider the...
- B49 If the investor also has voting or other decision-making rights...
- B50 Substantive potential voting rights alone, or in combination with other...  
Application examples  
Example 9

#### Example 10

Power when voting or similar rights do not have a...

B51 In assessing the purpose and design of an investee (see...

B52 In addition, an investor shall consider contractual arrangements such as...

B53 For some investees, relevant activities occur only when particular circumstances...

Application examples

Example 11

Example 12

B54 An investor may have an explicit or implicit commitment to...

Exposure, or rights, to variable returns from an investee

B55 When assessing whether an investor has control of an investee,...

B56 Variable returns are returns that are not fixed and have...

B57 Examples of returns include:

Link between power and returns

Delegated power

B58 When an investor with decision-making rights (a decision maker) assesses...

B59 An investor may delegate its decision-making authority to an agent...

B60 A decision maker shall consider the overall relationship between itself,...

B61 Determining whether a decision maker is an agent requires an...

The scope of the decision-making authority

B62 The scope of a decision maker's decision-making authority is evaluated...

B63 A decision maker shall consider the purpose and design of...

Rights held by other parties

B64 Substantive rights held by other parties may affect the decision...

B65 When a single party holds substantive removal rights and can...

B66 Substantive rights held by other parties that restrict a decision...

B67 Consideration of the rights held by other parties shall include...

Remuneration

B68 The greater the magnitude of, and variability associated with, the...

B69 In determining whether it is a principal or an agent...

B70 A decision maker cannot be an agent unless the conditions...

Exposure to variability of returns from other interests

B71 A decision maker that holds other interests in an investee...

B72 In evaluating its exposure to variability of returns from other...

Application examples

Example 13

Example 14

Example 14A

Example 14B

Example 14C

Example 15

Example 16

Relationship with other parties

B73 When assessing control, an investor shall consider the nature of...

B74 Such a relationship need not involve a contractual arrangement. A...

B75 The following are examples of such other parties that, by...

Control of specified assets

B76 An investor shall consider whether it treats a portion of...

B77 An investor shall treat a portion of an investee as...

B78 When the condition in paragraph B77 is satisfied, an investor...

B79 If the investor controls the deemed separate entity, the investor...

Continuous assessment

B80 An investor shall reassess whether it controls an investee if...

B81 If there is a change in how power over an...

B82 An event can cause an investor to gain or lose...

B83 An investor also considers changes affecting its exposure, or rights,...

B84 An investor shall consider whether its assessment that it acts...

B85 An investor's initial assessment of control or its status as...

## ACCOUNTING REQUIREMENTS

Consolidation procedures

B86 Consolidated financial statements:

Uniform accounting policies

B87 If a member of the group uses accounting policies other...

Measurement

B88 An entity includes the income and expenses of a subsidiary...

Potential voting rights

B89 When potential voting rights, or other derivatives containing potential voting...

B90 In some circumstances an entity has, in substance, an existing...

B91 IFRS 9 does not apply to interests in subsidiaries that...

#### Reporting date

B92 The financial statements of the parent and its subsidiaries used...

B93 If it is impracticable to do so, the parent shall...

#### Non-controlling interests

B94 An entity shall attribute the profit or loss and each...

B95 If a subsidiary has outstanding cumulative preference shares that are...

#### Changes in the proportion held by non-controlling interests

B96 When the proportion of the equity held by non-controlling interests...

#### Loss of control

B97 A parent might lose control of a subsidiary in two...

B98 If a parent loses control of a subsidiary, it shall:...

B99 If a parent loses control of a subsidiary, the parent...

#### Appendix C Effective date and transition

##### EFFECTIVE DATE

C1 An entity shall apply this IFRS for annual periods beginning...

##### TRANSITION

C2 An entity shall apply this IFRS retrospectively, in accordance with...

C3 When applying this IFRS for the first time, an entity...

C4 When application of this IFRS for the first time results...

C5 When application of this IFRS for the first time results...

C6 Paragraphs 23, 25, B94 and B96–B99 were amendments to IAS...

##### References to IFRS 9

C7 If an entity applies this IFRS but does not yet...

##### WITHDRAWAL OF OTHER IFRSs

C8 This IFRS supersedes the requirements relating to consolidated financial statements...

C9 This IFRS also supersedes SIC-12 Consolidation—Special Purpose Entities.

#### Appendix D Amendments to other IFRSs

##### IFRS 1 First-time Adoption of International Financial Reporting Standards

D1 Paragraph 39I is added as follows:

D2 In Appendix B, paragraph B7 is amended as follows:

D3 In Appendix C, paragraph C1 is amended as follows:

##### IFRS 2 Share-based Payment

D4 Paragraph 63A is added as follows:

##### IFRS 3 Business Combinations

D5 Paragraph 7 is amended and paragraph 64E is added as follows:...

D6 [Not applicable to requirements]

D7 In Appendix A the definition of ‘control’ is deleted.

D8 In Appendix B, paragraphs B13 and B63(e) are amended as...

##### IFRS 7 Financial Instruments: Disclosures

D9 Paragraph 3(a) is amended and paragraph 44O is added as follows:...

##### IFRS 9 Financial Instruments (as issued in November 2009)

D10 Paragraph 8.1.2 is added as follows:

**Changes to legislation:** There are currently no known outstanding effects for the Commission Regulation (EU) No 1254/2012. (See end of Document for details)

- D11 In Appendix C, paragraphs C18 and C19 and the headings...
- IFRS 9 Financial Instruments (as issued in October 2010)
  - D12 Paragraph 3.2.1 is amended and paragraph 7.1.2 is added as...
  - D13 In Appendix B, paragraphs B3.2.1–B3.2.3 and B5.7.15 are amended as...
  - D14 In Appendix C, paragraphs C23 and C24 and the heading...
- IAS 1 Presentation of Financial Statements
  - D15 Paragraphs 4 and 123 are amended and paragraph 139H is...
- IAS 7 Statement of Cash Flows
  - D16 Paragraph 42B is amended and paragraph 57 is added as...
- IAS 21 The Effects of Changes in Foreign Exchange Rates
  - D17 [Not applicable to requirements]
  - D18 Paragraphs 19, 45 and 46 are amended and paragraph 60F...
- IAS 24 Related Party Disclosures
  - D19 Paragraph 3 is amended as follows:
- IAS 27 Consolidated and Separate Financial Statements
  - D20 In IAS 27 Consolidated and Separate Financial Statements, the requirements...
- IAS 32 Financial Instruments: Presentation
  - D21 Paragraph 4(a) is amended and paragraph 97I is added as...
  - D22 In the Appendix, paragraph AG29 is amended as follows:
- IAS 33 Earnings per Share
  - D23 Paragraph 4 is amended and paragraph 74B is added as...
- IAS 36 Impairment of Assets
  - D24 Paragraph 4(a) is amended and paragraph 140H is added as...
  - D25 [Not applicable to requirements]
- IAS 38 Intangible Assets
  - D26 Paragraph 3(e) is amended and paragraph 130F is added as...
- IAS 39 Financial Instruments: Recognition and Measurement (as amended at October 2009)...
  - D27 Paragraphs 2(a) and 15 are amended and paragraph 103P is...
  - D28 In Appendix A paragraphs AG36–AG38 are amended as follows:
- IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation...
  - D29 In the ‘references’, the entries for IAS 27 and IAS...
- IFRIC 1 Distributions of Non-cash Assets to Owners
  - D30 In the ‘references’, an entity for ‘IFRS 10 Consolidated Financial...

## INTERNATIONAL FINANCIAL REPORTING STANDARD 11

### Non-Exchange Arrangements

- OBJECTIVE
  - 1 The objective of this IFRS is to establish principles for... Meeting the objective
  - 2 To meet the objective in paragraph 1, this IFRS defines...
- SCOPE
  - 3 This IFRS shall be applied by all entities that are...
- JOINT ARRANGEMENTS
  - 4 A joint arrangement is an arrangement of which two or...
  - 5 A joint arrangement has the following characteristics:
  - 6 A joint arrangement is either a joint operation or a... Joint control
  - 7 Joint control is the contractually agreed sharing of control of...



- 8 An entity that is a party to an arrangement shall...
- 9 Once it has been determined that all the parties, or...
- 10 In a joint arrangement, no single party controls the arrangement...
- 11 An arrangement can be a joint arrangement even though not...
- 12 An entity will need to apply judgement when assessing whether...
- 13 If facts and circumstances change, an entity shall reassess whether...

#### Types of joint arrangement

- 14 An entity shall determine the type of joint arrangement in...
- 15 A joint operation is a joint arrangement whereby the parties...
- 16 A joint venture is a joint arrangement whereby the parties...
- 17 An entity applies judgement when assessing whether a joint arrangement...
- 18 Sometimes the parties are bound by a framework agreement that...
- 19 If facts and circumstances change, an entity shall reassess whether...

#### FINANCIAL STATEMENTS OF PARTIES TO A JOINT ARRANGEMENT

##### Joint operations

- 20 A joint operator shall recognise in relation to its interest...
- 21 A joint operator shall account for the assets, liabilities, revenues...
- 22 The accounting for transactions such as the sale, contribution or...
- 23 A party that participates in, but does not have joint...

##### Joint ventures

- 24 A joint venturer shall recognise its interest in a joint...
- 25 A party that participates in, but does not have joint...

#### SEPARATE FINANCIAL STATEMENTS

- 26 In its separate financial statements, a joint operator or joint...
- 27 In its separate financial statements, a party that participates in,...

#### Appendix A Defined terms

##### Appendix B Application guidance

- B1 The examples in this appendix portray hypothetical situations. Although some...

#### JOINT ARRANGEMENTS

##### Contractual arrangement (paragraph 5)

- B2 Contractual arrangements can be evidenced in several ways. An enforceable...
- B3 When joint arrangements are structured through a separate vehicle (see...
- B4 The contractual arrangement sets out the terms upon which the...

##### Joint control (paragraphs 7–13)

- B5 In assessing whether an entity has joint control of an...
- B6 After concluding that all the parties, or a group of...
- B7 Sometimes the decision-making process that is agreed upon by the...
- B8 In other circumstances, the contractual arrangement requires a minimum proportion...

##### Application examples

**Changes to legislation:** There are currently no known outstanding effects for the Commission Regulation (EU) No 1254/2012. (See end of Document for details)

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Example 1

Example 2

Example 3

B9 The requirement for unanimous consent means that any party with...

B10 A contractual arrangement might include clauses on the resolution of...

Assessing joint control

B11 When an arrangement is outside the scope of IFRS 11,...

#### TYPES OF JOINT ARRANGEMENT (PARAGRAPHS 14–19)

B12 Joint arrangements are established for a variety of purposes (eg...

B13 Some arrangements do not require the activity that is the...

B14 The classification of joint arrangements required by this IFRS depends...

Classification of a joint arrangement

B15 As stated in paragraph B14, the classification of joint arrangements...

Structure of the joint arrangement

Joint arrangements not structured through a separate vehicle

B16 A joint arrangement that is not structured through a separate...

B17 The contractual arrangement often describes the nature of the activities...

B18 In other cases, the parties to a joint arrangement might...

Joint arrangements structured through a separate vehicle

B19 A joint arrangement in which the assets and liabilities relating...

B20 Whether a party is a joint operator or a joint...

B21 As stated in paragraph B15, when the parties have structured...

Classification of a joint arrangement: assessment of the parties' rights...

The legal form of the separate vehicle

B22 The legal form of the separate vehicle is relevant when...

B23 For example, the parties might conduct the joint arrangement through...

B24 The assessment of the rights and obligations conferred upon the...

Assessing the terms of the contractual arrangement

B25 In many cases, the rights and obligations agreed to by...

B26 In other cases, the parties use the contractual arrangement to...

Application example

Example 4

B27 The following table compares common terms in contractual arrangements of...

B28 When the contractual arrangement specifies that the parties have rights...

Assessing other facts and circumstances

B29 When the terms of the contractual arrangement do not specify...

B30 A joint arrangement might be structured in a separate vehicle...

B31 When the activities of an arrangement are primarily designed for...

B32 The effect of an arrangement with such a design and...  
Application example

Example 5

B33 The following flow chart reflects the assessment an entity follows...

Classification of a joint arrangement structured through a separate vehicle...

#### FINANCIAL STATEMENTS OF PARTIES TO A JOINT ARRANGEMENT (PARAGRAPH 22)...

Accounting for sales or contributions of assets to a joint...

B34 When an entity enters into a transaction with a joint...

B35 When such transactions provide evidence of a reduction in the...

Accounting for purchases of assets from a joint operation

B36 When an entity enters into a transaction with a joint...

B37 When such transactions provide evidence of a reduction in the...

#### Appendix Effective date, transition and withdrawal of other IFRSs

##### EFFECTIVE DATE

C1 An entity shall apply this IFRS for annual periods beginning...

##### TRANSITION

Joint ventures—transition from proportionate consolidation to the equity method

C2 When changing from proportionate consolidation to the equity method, an...

C3 The opening balance of the investment determined in accordance with...

C4 If aggregating all previously proportionately consolidated assets and liabilities results...

C5 An entity shall disclose a breakdown of the assets and...

C6 After initial recognition, an entity shall account for its investment...

Joint operations—transition from the equity method to accounting for assets...

C7 When changing from the equity method to accounting for assets...

C8 An entity shall determine its interest in the assets and...

C9 Any difference arising from the investment previously accounted for using...

C10 An entity changing from the equity method to accounting for...

C11 The initial recognition exception in paragraphs 15 and 24 of...

- Transition provisions in an entity's separate financial statements
- C12 An entity that, in accordance with paragraph 10 of IAS...
- C13 The initial recognition exception in paragraphs 15 and 24 of...
- References to IFRS 9
- C14 If an entity applies this IFRS but does not yet...
- WITHDRAWAL OF OTHER IFRSS
- C15 This IFRS supersedes the following IFRSs:
- Appendix A Amendments to other IFRSs
- D1 This table shows how the following references have been amended...
- IFRS 1 First-time Adoption of International Financial Reporting Standards
- D2 Paragraph 39I is added as follows:
- D3 Paragraph D1 is amended as follows:
- D4 After paragraph D30, a heading and paragraph D31 are added....
- Joint arrangements
- IFRS 2 Share-based Payment
- D5 Paragraph 63A is added as follows:
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- D6 Paragraph 28 is amended as follows:
- D7 Paragraph 44G is added as follows:
- IFRS 7 Financial Instruments: Disclosures
- D8 Paragraph 3(a) is amended as follows:
- D9 Paragraph 44O is added as follows:
- IFRS 9 Financial Instruments (as issued in November 2009)
- D10 Paragraph 8.1.2 is added as follows:
- D11 In Appendix C, in paragraph C8, the amendments to paragraph...
- D12 The heading above paragraph C20 and paragraphs C20 and C21...
- D13 The heading above paragraph C22 and paragraphs C22 and C23...
- IFRS 9 Financial Instruments (as issued in October 2010)
- D14 Paragraph 7.1.2 is added as follows:
- D15 In Appendix C, in paragraph C11, the amendments to paragraph...
- D16 The heading above paragraph C25 and paragraphs C25 and C26...
- D17 The heading above paragraph C27 and paragraphs C27 and C28...
- D18 In paragraph C30, the amendments to paragraph 4(a) of IAS...
- IAS 7 Statement of Cash Flows
- D19 [Not applicable to requirements]
- D20 Paragraphs 37 and 38 are amended as follows:
- D21 Paragraph 50(b) is deleted.
- D22 Paragraph 57 is added as follows:
- IAS 12 Income Taxes
- D23 [Not applicable to requirements]
- D24 [Not applicable to requirements]
- D25 Paragraph 39 is amended as follows:
- D26 Paragraph 43 is amended as follows:

- D27 Paragraph 98A is added as follows:
- IAS 18 Revenue
  - D28 [Not applicable to requirements]
  - D29 Paragraph 41 is added as follows:
- IAS 21 The Effects of Changes in Foreign Exchange Rates
  - D30 [Not applicable to requirements]
  - D31 In paragraphs 3(b) and 44 ‘proportionate consolidation’ and in paragraph...
  - D32 In paragraph 45, ‘IAS 31 Interests in Joint Ventures’ is...
  - D33 In paragraph 46 the last sentence is amended as follows:...
  - D34 Paragraph 48A is amended as follows:
  - D35 Paragraph 60F is added as follows:
- IAS 24 Related Party Disclosures
  - D36 Paragraph 3 is amended as follows:
  - D37 Paragraph 19 is amended as follows:
  - D38 Paragraph 25 is amended as follows:
  - D39 Paragraph 28A is added as follows:
- IAS 32 Financial Instruments: Presentation
  - D40 Paragraph 4(a) is amended as follows:
  - D41 Paragraph 97I is added as follows:
- IAS 33 Earnings per Share
  - D42 Paragraph 40 and A11 are amended and paragraph 74B is...
- IAS 36 Impairment of Assets
  - D43 Paragraph 140H is added as follows:
- IAS 38 Intangible Assets
  - D44 Paragraph 3(e) is amended as follows:
  - D45 Paragraph 130F is added as follows:
- IAS 39 Financial Instruments: Recognition and Measurement (as amended at October 2009)...
  - D46 Paragraph 2(a) is amended as follows:
  - D47 Paragraphs AG3 and AG4I(a) are amended as follows:
  - D48 Paragraph 103P is added as follows:
- IFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation...
  - D49 Paragraphs 8 and 9 are amended as follows:
  - D50 Paragraph 14B is added as follows:
- IFRIC 9 Reassessment of Embedded Derivatives
  - D51 [Not applicable to requirements]
  - D52 Paragraph 12 is added as follows:
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation
  - D53 The footnote to paragraph 2 is amended as follows:

## INTERNATIONAL FINANCIAL REPORTING STANDARD 12

### DISCLOSURE OF FINANCIAL RISK MANAGEMENT OBJECTIVE

- 1 The objective of this IFRS is to require an entity... Meeting the objective
- 2 To meet the objective in paragraph 1, an entity shall...
- 3 If the disclosures required by this IFRS, together with disclosures...
- 4 An entity shall consider the level of detail necessary to...

### SCOPE

- 5 This IFRS shall be applied by an entity that has...
- 6 This IFRS does not apply to:

*Changes to legislation:* There are currently no known outstanding effects for the Commission Regulation (EU) No 1254/2012. (See end of Document for details)

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## SIGNIFICANT JUDGEMENTS AND ASSUMPTIONS

- 7 An entity shall disclose information about significant judgements and assumptions...
- 8 The significant judgements and assumptions disclosed in accordance with paragraph...
- 9 To comply with paragraph 7, an entity shall disclose, for...

## INTERESTS IN SUBSIDIARIES

- 10 An entity shall disclose information that enables users of its...
- 11 When the financial statements of a subsidiary used in the...  
The interest that non-controlling interests have in the group's activities...
- 12 An entity shall disclose for each of its subsidiaries that...  
The nature and extent of significant restrictions
- 13 An entity shall disclose:  
Nature of the risks associated with an entity's interests in...
- 14 An entity shall disclose the terms of any contractual arrangements...
- 15 If during the reporting period a parent or any of...
- 16 If during the reporting period a parent or any of...
- 17 An entity shall disclose any current intentions to provide financial...  
Consequences of changes in a parent's ownership interest in a...
- 18 An entity shall present a schedule that shows the effects...  
Consequences of losing control of a subsidiary during the reporting...
- 19 An entity shall disclose the gain or loss, if any,...

## INTERESTS IN JOINT ARRANGEMENTS AND ASSOCIATES

- 20 An entity shall disclose information that enables users of its...  
Nature, extent and financial effects of an entity's interests in...
- 21 An entity shall disclose:
- 22 An entity shall also disclose:  
Risks associated with an entity's interests in joint ventures and...
- 23 An entity shall disclose:

## INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

- 24 An entity shall disclose information that enables users of its...
- 25 The information required by paragraph 24(b) includes information about an...  
Nature of interests
- 26 An entity shall disclose qualitative and quantitative information about its...
- 27 If an entity has sponsored an unconsolidated structured entity for...
- 28 An entity shall present the information in paragraph 27(b) and...  
Nature of risks
- 29 An entity shall disclose in tabular format, unless another format...
- 30 If during the reporting period an entity has, without having...
- 31 An entity shall disclose any current intentions to provide financial...

Appendix A Defined terms

Appendix B Application guidance

- B1 The examples in this appendix portray hypothetical situations. Although some...

#### AGGREGATION (PARAGRAPH 4)

- B2 An entity shall decide, in the light of its circumstances,...
- B3 An entity may aggregate the disclosures required by this IFRS...
- B4 An entity shall present information separately for interests in:
- B5 In determining whether to aggregate information, an entity shall consider...
- B6 Examples of aggregation levels within the classes of entities set...

#### INTERESTS IN OTHER ENTITIES

- B7 An interest in another entity refers to contractual and non-contractual...
- B8 A reporting entity is typically exposed to variability of returns...
- B9 Some instruments are designed to transfer risk from a reporting...

#### SUMMARISED FINANCIAL INFORMATION FOR SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (PARAGRAPHS...)

- B10 For each subsidiary that has non-controlling interests that are material...
- B11 The summarised financial information required by paragraph B10(b) shall be...
- B12 For each joint venture and associate that is material to...
- B13 In addition to the summarised financial information required by paragraph...
- B14 The summarised financial information presented in accordance with paragraphs B12...
- B15 An entity may present the summarised financial information required by...
- B16 An entity shall disclose, in aggregate, the carrying amount of...
- B17 When an entity's interest in a subsidiary, a joint venture...

#### COMMITMENTS FOR JOINT VENTURES (PARAGRAPH 23(a))

- B18 An entity shall disclose total commitments it has made but...
- B19 Unrecognised commitments that may give rise to a future outflow...
- B20 The requirements and examples in paragraphs B18 and B19 illustrate...

#### INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES (PARAGRAPHS 24–31)

##### Structured entities

- B21 A structured entity is an entity that has been designed...
- B22 A structured entity often has some or all of the...
- B23 Examples of entities that are regarded as structured entities include,...
- B24 An entity that is controlled by voting rights is not... Nature of risks from interests in unconsolidated structured entities (paragraphs...
- B25 In addition to the information required by paragraphs 29–31, an...
- B26 Examples of additional information that, depending on the circumstances, might...

## Appendix A Effective date and transition

### EFFECTIVE DATE AND TRANSITION

C1 An entity shall apply this IFRS for annual periods beginning...

C2 An entity is encouraged to provide information required by this...

### REFERENCES TO IFRS 9

C3 If an entity applies this IFRS but does not yet...

## Appendix B Amendments to other IFRSs

### IAS 1 Presentation of Financial Statements

D1 Paragraphs 119 and 124 are amended and paragraph 139H is...

### IAS 24 Related Party Disclosures

D2 Paragraph 15 is amended and paragraph 28A is added as...

## INTERNATIONAL FINANCIAL ACCOUNTING STANDARD 27

### Separate Financial Statements

#### OBJECTIVE

1 The objective of this Standard is to prescribe the accounting...

#### SCOPE

2 This Standard shall be applied in accounting for investments in...

3 This Standard does not mandate which entities produce separate financial...

#### DEFINITIONS

4 The following terms are used in this Standard with the...

5 The following terms are defined in Appendix A of IFRS...

6 Separate financial statements are those presented in addition to consolidated...

7 Financial statements in which the equity method is applied are...

8 An entity that is exempted in accordance with paragraph 4(a)...

#### PREPARATION OF SEPARATE FINANCIAL STATEMENTS

9 Separate financial statements shall be prepared in accordance with all...

10 When an entity prepares separate financial statements, it shall account...

11 If an entity elects, in accordance with paragraph 18 of...

12 An entity shall recognise a dividend from a subsidiary, a...

13 When a parent reorganises the structure of its group by...

14 Similarly, an entity that is not a parent might establish...

#### DISCLOSURE

15 An entity shall apply all applicable IFRSs when providing disclosures...

16 When a parent, in accordance with paragraph 4(a) of IFRS...

17 When a parent (other than a parent covered by paragraph...

#### EFFECTIVE DATE AND TRANSITION

18 An entity shall apply this Standard for annual periods beginning...

#### References to IFRS 9

19 If an entity applies this Standard but does not yet...

#### WITHDRAWAL OF IAS 27 (2008)

20 This Standard is issued concurrently with IFRS 10. Together, the...

## INTERNATIONAL ACCOUNTING STANDARD 28

### Investments in Associates and Joint Ventures

#### OBJECTIVE

1 The objective of this Standard is to prescribe the accounting...

#### SCOPE

2 This Standard shall be applied by all entities that are...

#### DEFINITIONS



- 3 The following terms are used in this Standard with the...
- 4 The following terms are defined in paragraph 4 of IAS...
- SIGNIFICANT INFLUENCE**
- 5 If an entity holds, directly or indirectly (eg through subsidiaries),...
- 6 The existence of significant influence by an entity is usually...
- 7 An entity may own share warrants, share call options, debt...
- 8 In assessing whether potential voting rights contribute to significant influence,...
- 9 An entity loses significant influence over an investee when it...
- EQUITY METHOD**
- 10 Under the equity method, on initial recognition the investment in...
- 11 The recognition of income on the basis of distributions received...
- 12 When potential voting rights or other derivatives containing potential voting...
- 13 In some circumstances, an entity has, in substance, an existing...
- 14 IFRS 9 Financial Instruments does not apply to interests in...
- 15 Unless an investment, or a portion of an investment, in...
- APPLICATION OF THE EQUITY METHOD**
- 16 An entity with joint control of, or significant influence over,...
- Exemptions from applying the equity method
- 17 An entity need not apply the equity method to its...
- 18 When an investment in an associate or a joint venture...
- 19 When an entity has an investment in an associate, a...
- Classification as held for sale
- 20 An entity shall apply IFRS 5 to an investment, or...
- 21 When an investment, or a portion of an investment, in...
- Discontinuing the use of the equity method
- 22 An entity shall discontinue the use of the equity method...
- 23 Therefore, if a gain or loss previously recognised in other...
- 24 If an investment in an associate becomes an investment in...
- Changes in ownership interest
- 25 If an entity's ownership interest in an associate or a...
- Equity method procedures
- 26 Many of the procedures that are appropriate for the application...
- 27 A group's share in an associate or a joint venture...
- 28 Gains and losses resulting from 'upstream' and 'downstream' transactions between...
- 29 When downstream transactions provide evidence of a reduction in the...
- 30 The contribution of a non-monetary asset to an associate or...
- 31 If, in addition to receiving an equity interest in an...
- 32 An investment is accounted for using the equity method from...
- 33 The most recent available financial statements of the associate or...
- 34 When, in accordance with paragraph 33, the financial statements of...
- 35 The entity's financial statements shall be prepared using uniform accounting...
- 36 If an associate or a joint venture uses accounting policies...
- 37 If an associate or a joint venture has outstanding cumulative...
- 38 If an entity's share of losses of an associate or...
- 39 After the entity's interest is reduced to zero, additional losses...

**Changes to legislation:** There are currently no known outstanding effects for the  
Commission Regulation (EU) No 1254/2012. (See end of Document for details)

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#### Impairment losses

- 40 After application of the equity method, including recognising the associate's...
- 41 The entity also applies IAS 39 to determine whether any...
- 42 Because goodwill that forms part of the carrying amount of...
- 43 The recoverable amount of an investment in an associate or...

#### SEPARATE FINANCIAL STATEMENTS

- 44 An investment in an associate or a joint venture shall...

#### EFFECTIVE DATE AND TRANSITION

- 45 An entity shall apply this Standard for annual periods beginning...

#### References to IFRS 9

- 46 If an entity applies this Standard but does not yet...

#### WITHDRAWAL OF IAS 28 (2003)

- 47 This Standard supersedes IAS 28 Investments in Associates (as revised...

**Changes to legislation:**

There are currently no known outstanding effects for the Commission Regulation (EU) No 1254/2012.