

# IFRS Briefing Sheet

IFRS reminders for interim and annual periods ending  
30 September 2009

September 2009, **Issue 154**

This IFRS Briefing Sheet serves as an IFRS reminder for interim and annual periods ending 30 September 2009 and should be read in conjunction with *IFRS Briefing Sheet – Issue 138*.

## **Overview**

This IFRS Briefing Sheet should be read in conjunction with *IFRS Briefing Sheet – Issue 138*, which provides IFRS reminders for interim and annual periods ending 30 June 2009. This summary updates *IFRS Briefing Sheet – Issue 138* in that it provides newly effective IFRSs that were published by the IASB from 5 June 2009 through 1 September 2009.

This IFRS Briefing Sheet does not cover accounting or auditing guidance that currently is in progress with the IASB. The official standards, amendments to standards, interpretations or other information referred to herein should be read for more complete information on the new requirements and their transitional provisions.

**KPMG's update on International  
Financial Reporting Standards  
(IFRSs)**

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## Newly Effective IFRSs

The following is a brief summary of the new standards and amendments to standards published since 5 June 2009 that may be newly **effective for annual (and year-to-date interim) periods ending in 2009**. The summary of requirements is indicative only and should not be used as a substitute for reference to the new standards and amendments to standards themselves.

Effective date	Standard or amendment	Summary of requirements	IFRS Briefing Sheet	Early application permitted
The <i>IFRS for Small and Medium-sized Entities</i> (IFRS for SMEs) does not contain an effective date; instead it will take effect from a date determined by individual jurisdictions.	<i>IFRS for Small and Medium-sized Entities</i>	<p>The IASB issued the IFRS for SMEs, together with illustrative financial statements and a presentation and disclosure checklist. The IFRS for SMEs is intended to facilitate financial reporting by small and medium-sized entities (SMEs) that want to use international standards by providing an accounting standard suitable for them. It is a simplified and slimmed-down version of full IFRSs that the IASB states is tailored for the needs and capabilities of SMEs.</p> <p>The IFRS for SMEs is a separate stand-alone document organised by topic rather than corresponding to the numbering of full IFRSs. It does not contain cross references to full IFRSs. Therefore an entity follows either the requirements of the IFRS for SMEs in full or else uses full IFRSs. The only exception is that an entity applying the IFRS for SMEs can choose for financial instruments to apply either the requirements of the IFRS for SMEs, or the recognition and measurement requirements of <i>IAS 39 Financial Instruments: Recognition and Measurement</i> and the disclosure requirements of the IFRS for SMEs.</p> <p>The IFRS for SMEs sets out its intended scope by describing the entities that the IASB intends should use the Standard, namely those entities that:</p> <ul style="list-style-type: none"> <li>do not have public accountability</li> <li>publish general purpose financial statements for external users.</li> </ul>	<i>IFRS Briefing Sheet – Issue 144: IFRS for Small and Medium-sized Entities</i>	Not applicable

Effective date	Standard or amendment	Summary of requirements	IFRS Briefing Sheet	Early application permitted
Annual periods beginning on or after 1 January 2010	Amendments to <i>IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>	<p>The IASB issued amendments to provide additional optional exemptions for first-time adopters of IFRSs that will:</p> <ul style="list-style-type: none"> <li>• permit entities to not reassess the determination of whether an arrangement contains a lease in accordance with IFRIC 4 <i>Determining whether an Arrangement contains a Lease</i> if the same assessment was made under previous GAAP</li> <li>• allow entities in the oil and gas industry to use their previous GAAP carrying amounts as deemed cost at the date of transition for oil and gas assets, such as exploration, evaluation, and development or production assets, in certain circumstances.</li> </ul> <p>Entities in the oil and gas industries that use the deemed cost exemption for oil and gas assets in the development or production phases are required to recognise any adjustments necessary to measure decommissioning, restoration and similar liabilities in accordance with IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> directly in retained earnings rather than adjusting the carrying amount of the underlying assets.</p> <p>The amendments are effective for annual periods beginning on or after 1 January 2010. This means that first-time adopters of IFRSs that present two years of information in their first IFRS financial statements will apply the amendment to dates of transition to IFRSs on or after 1 January 2009.</p>	<i>IFRS Briefing Sheet – Issue 145: Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>	Yes

Effective date	Standard or amendment	Summary of requirements	IFRS Briefing Sheet	Early application permitted
Annual periods beginning on or after 1 January 2010	Amendments to IFRS 2 <i>Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>	<p>The IASB issued amendments to require an entity receiving goods or services (receiving entity) in either an equity-settled or a cash-settled share-based payment transaction to account for the transaction in its separate or individual financial statements. This principle even applies if another group entity or shareholder settles the transaction (settling entity) and the receiving entity has no obligation to settle the payment. Previously IFRS 2 had explicit requirements to attribute transactions settled by a parent or shareholder only if those transactions were equity-settled.</p> <p>IFRIC 8 <i>Scope of IFRS 2</i> and IFRIC 11 <i>Group and Treasury Share Transactions</i> are incorporated into IFRS 2 and withdrawn.</p> <p>Retrospective application is subject to the transitional requirements in IFRS 2. Also, if information required for retrospective application is not available, then an entity attributes to the receiving entity the amounts recognised previously in the group's consolidated financial statements.</p>	<i>IFRS Briefing Sheet – Issue 140: Amendments to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>	Yes

If you would like further information on any of the matters discussed in this issue of *IFRS Briefing Sheet*, please talk to your usual local KPMG contact or call any of KPMG firms' offices.

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Publication name: *IFRS Briefing Sheet*

Publication number: Issue 154

Publication date: September 2009