

Nation's Forward March towards Convergence with IFRS Continues: An Overview and Update

ICAI, in its endeavour to remain converged with the globally acceptable International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) all the time, have finalised the amendments in the following Ind AS proposed to be effective from April 1, 2019:

- **Ind AS 12, Income Taxes - Income tax consequences of payments on financial instruments classified as equity**
- **Appendix C to Ind AS 12 - Uncertainty over Income Tax Treatments**

Ind AS Compendium and Guidance Material Released

ICAI has released e-version of Compendium of Indian Accounting Standards (Ind AS) along with related guidance material at the Platinum Jubilee Annual Function of ICAI held on February 04, 2019. Compendium of Ind AS is a comprehensive up-to-date version encompassing all the rounds of amendments issued by MCA till date that are effective as of 1st April, 2018. Further, the guidance material comprises IFRS Part B (Accompanying Guidance such as illustrative examples, implementation guidance etc) and IFRS Part C (Bases for Conclusions), which is the basis of Ind AS. Since, Ind AS are derived from IFRS Standards issued by the IFRS Foundation, it is useful and appropriate to read Ind AS along with the background material of IFRS Standards. Ind AS and related Guidance Material can be accessed at https://www.icai.org/new_post.html?post_id=15361. The print version of Ind AS can be ordered online at <https://icai-cds.org>

Ind AS Implementation Group

• Educational Material on Ind AS

The Ind AS Implementation Group under Accounting Standards Board of ICAI has issued an Education Material on Ind AS 111, *Joint Arrangements*, which will provide guidance on how an entity that is a party to a joint arrangement determines the type of joint arrangement by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement. The Educational Material can be accessed at <https://resource.cdn.icai.org/54124indas43413.pdf>. The print version of the Educational Material can be ordered online at <https://icai-cds.org>

• ITFG Clarification Bulletin

The said Group has also issued ITFG Clarification Bulletin 18 and released a Compendium of ITFG Clarification Bulletins (including clarifications issued till December 2018) which can be accessed at https://icai.org/post.html?post_id=12745

Contributed by Accounting Standards Board of the ICAI. Comments can be sent to asb@icai.in. Refer https://www.icai.org/post.html?post_id=14058 for Ind AS-IFRS Standards Convergence Status

Quick Glance at Developments at IFRS Foundation & IASB

- **Amendments to IFRS Standards** - The IASB has finalised and issued Amendments to:
 - ✓ IFRS 3, *Business Combinations*, to clarify the definition of 'Business' to assist the entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition and
 - ✓ IAS 1, *Presentation of Financial Statements* & IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, which proposes refinements to the definition of 'material' and aligns this definition with other Ind AS to be effective from January 1, 2020. The Board Member, IASB, in the Article on Feature: Materiality modernised (available at <https://www.ifrs.org/news-and-events/2019/01/materiality-modernised/>) has wonderfully expressed his views on the amendments to definition of materiality.

The ICAI is in the process of issuing exposure drafts for amendments in corresponding Ind AS.

- **Exposure Draft for Public Comments** - The IASB has issued an Exposure Draft of Onerous Contracts— Cost of Fulfilling a Contract which proposes to amend IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, that specifies the costs that an entity includes in determining the 'cost of fulfilling' a contract for the purpose of assessing whether a contract is onerous.
- **News About New Revenue Standard** - A webcast on IFRS 15 Revenue from Contracts with Customers for investors (available at <https://www.ifrs.org/news-and-events/2019/02/webcast-ifrs-15-revenue-from-contracts-with-customers-for-investors/>) was organised by the IFRS Foundation on February 14, 2019, in which the speakers outline the information companies will provide about their revenue in financial statements and notes prepared under IFRS 15 and draw on several case studies to explain the new revenue recognition model and the changes resulting from its application. They also discuss disclosure requirements introduced by IFRS 15, including those relating to the disaggregation of revenues, the use of judgements and estimates, and contract assets and liabilities.
- **Vacancies of IFRS Interpretation Committee Member** - The Trustees of the IFRS Foundation have invited applications from suitable candidates to fill four vacancies on the IFRS Interpretations Committee ('the Interpretations Committee'). The term for appointment will begin from 1st July 2019 and will expire on 30th June 2022. The term may be renewed for a further three years. The last date for sending the nominations is 8th March 2019. The information can be assessed at <https://www.ifrs.org/about-us/find-out-more/appointments/ifrs-interpretations-committee-member/>. ■