

Accounting and Presentation Alternative Options Available Under IFRS

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Introduction

One of the major benefits of using a global set of standards such as International Financial Reporting Standards (IFRS) is to increase the comparability of financial statements across the globe.

The lack of comparability in global markets reduces the efficiency of allocation and the pricing of capital. Information comparability benefits not only those who provide debt or equity capital but also those entities that seek capital, because it reduces their compliance costs and removes uncertainties which affect their cost of capital.

Users compare the financial statements of different entities in order to evaluate their relative financial position, performance and changes in financial position. Hence, the measurement and presentation of the financial effect of like transactions and other events must be carried out in a consistent way for different entities.

The comparison of different entities is more complicated when those entities are given the option to select from a range of different accounting alternatives.

Whilst this allows them to prepare the financial statements which provide information that is reliable and more relevant, it may be the case that two entities could represent the same transaction differently. Clearly this reduces the comparability of the financial statements.

The International Accounting Standards Board (IASB) is committed to reducing the number of accounting options existing in IFRS and has begun the process to achieve this. Recently, the option to expense borrowing costs has been removed from IAS 23 *Borrowing Costs*. Other options are planned to be removed in future revisions to standards.

In this document we provide a list of all presentation and accounting options which are available to IFRS preparers. It takes into consideration standards and interpretations approved as at 1 January 2008 (Bound volume 2008).

This document does not contemplate cases where:

- The standards are silent and, in accordance with IAS 8, an accounting policy has to be selected and applied consistently, or
- Transitional provision exemptions are allowed when new IFRS or IFRIC are implemented by existing IFRS preparers.

Items are classified into three categories:

- Measurement: entities have the option to select alternative measurement methodologies for assets and liabilities;
- Presentation: entities have the option to select alternative ways to present figures; and
- Disclosures: entities have the option to select alternative ways to disclose narrative information.

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* defines accounting policies as the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements.

Items categorised as "Measurement" and "Presentation" fall under the scope of IAS 8
Items categorised as "Disclosures" do not necessarily fall under the scope of IAS 8.

Topic	IFRS/IAS	Category	Reference	Alternative options	Comments
First time adoption of IFRS: business combination exemption	IFRS 1	Measurement	IFRS 1 par. 15	Retrospective application of IFRS 3 OR Use exemption granted by IFRS 1 at the date of transition to IFRS	A first-time adopter may elect not to apply IFRS 3 Business Combinations retrospectively to past business combinations. Therefore immediately after the business combination, the carrying amount under previous GAAP of assets acquired and liabilities assumed in that business combination shall be their deemed cost under IFRS at that date.
First time adoption of IFRS: fair value or revaluation as deemed cost exemption	IFRS 1	Measurement	IFRS 1 from par. 16 to par. 18	Retrospective application of IAS 16, 38 and 40 OR Use exemption granted by IFRS 1 at the date of transition to IFRS	A first-time adopter may elect to use a previous GAAP revaluation of an item of property, plant and equipment, investment property (at cost under IAS 40) and intangible assets (in an active market) at, or before, the date of transition to IFRS as deemed cost at the date of the revaluation, if the revaluation was, at the date of the revaluation, broadly comparable to: <ul style="list-style-type: none"> • fair value; or • cost or depreciated cost under IFRS, adjusted to reflect, for example, changes in a general or specific price index <p>This exemption is available on an item-by-item basis.</p>
First time adoption of IFRS: fair value or revaluation as deemed cost exemption	IFRS 1	Measurement	IFRS 1 par. 19	Retrospective application of the relevant standard OR Use exemption granted by IFRS 1 at the date of transition to IFRS	A first-time adopter may have established a deemed cost under previous GAAP for some or all of its assets and liabilities by measuring them at their fair value at one particular date because of an event such as a privatisation or Initial Public Offering. It may use such event-driven fair value measurements as deemed cost for IFRS at the date of that measurement. This exemption is available on an item-by-item basis.

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First time adoption of IFRS: employee benefits exemption	IFRS 1	Measurement and Disclosure	IFRS 1 par. 20 and par. 20A	<p>Retrospective application of the "corridor approach"</p> <p>OR</p> <p>Recognise all cumulative actuarial gains and losses at the date of transition to IFRS, even if it uses the corridor approach for later actuarial gains and losses</p>	<p>This exemption is granted even if the first time adopter uses the corridor approach for later actuarial gains and losses. If a first-time adopter uses this exemption, it shall apply it to all plans.</p> <p>An entity may disclose the amounts required by par. 120A(p) of IAS 19 as the amounts are determined for each annual reporting period prospectively from the date of transition to IFRS.</p>
First time adoption of IFRS: cumulative translation differences exemption	IFRS 1	Presentation and measurement	IFRS 1 par. 21 and par. 22	<p>Retrospective application of IAS 21 relating to cumulative translation differences</p> <p>OR</p> <p>Reset to zero the cumulative translation differences for all foreign operations at the date of transition to IFRS</p>	<p>Under this exemption the cumulative translation differences for all foreign operations of a first time adopter are deemed to be zero at the date of transition to IFRS. The gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition to IFRS and shall include later translation differences.</p> <p>This exemption is available on an item-by-item basis.</p>
First time adoption of IFRS: compound financial instruments exemption	IFRS 1	Presentation and measurement	IFRS 1 par. 23	<p>Apply IAS 32 with regard to the separation of a compound financial instrument at inception into separate liability and equity components</p> <p>OR</p> <p>Not separate these two portions if the liability component is no longer outstanding at the date of transition to IFRS</p>	<p>Retrospective application of IAS 32 would involve separating two portions of equity. The first portion is in retained earnings and represents the cumulative interest accreted on the liability component. The other portion represents the original equity component of the instrument.</p>

Topic	IFRS/IAS	Category	Reference	Alternative options	Comments
First time adoption of IFRS: assets and liabilities of subsidiaries, associates and joint ventures	IFRS 1	Measurement	IFRS 1 par. 24 and par. 25	<p>If a subsidiary becomes a first-time adopter later than its parent, the subsidiary shall, in its financial statements, measure its assets and liabilities at either the carrying amounts that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS</p> <p>OR</p> <p>The carrying amounts prepared according to IFRS, based on the date of transition to IFRS of the subsidiary, associate or joint venture</p>	However, if an entity becomes a first-time adopter later than its subsidiary or (associate or joint venture), the entity shall, in its consolidated financial statements, measure the assets and liabilities of the subsidiary (or associate or joint venture) at the same carrying amounts as in the financial statements of the subsidiary (or associate or joint venture), after adjusting for consolidation and equity accounting adjustments and for the effects of the business combination in which the entity acquired the subsidiary. Similarly, if a parent becomes a first-time adopter for its separate financial statements earlier or later than for its consolidated financial statements, it shall measure its assets and liabilities at the same amounts in both financial statements, except for consolidation adjustments.
First time adoption of IFRS: insurance contracts	IFRS 1	Disclosure and presentation	IFRS 1 par. 25D	<p>A first-time adopter may apply the transitional provisions in IFRS 4 Insurance Contracts</p> <p>OR</p> <p>Not apply the transitional provisions of IFRS 4</p>	The transitional provisions of IFRS 4 provide some relief particularly in terms of comparative information.
First time adoption of IFRS: changes in existing decommissioning, restoration and similar liabilities included in the cost of property, plant and equipment	IFRS 1	Measurement	IFRS 1 par. 25E	<p>Apply retrospectively IFRIC 1 <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i></p> <p>OR</p> <p>Use exemption granted by IFRS 1 at the date of transition to IFRS</p>	A first-time adopter may elect not to comply with IFRIC 1 requirements for changes in decommissioning, restoration and similar liabilities that occurred before the date of transition to IFRS. Exemption contains provisions for measuring the liability and accumulated depreciation.

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First time adoption of IFRS: leases	IFRS 1	Presentation and Measurement	IFRS 1 par. 25F	<p>Determining whether an arrangement contains a lease at the inception of the arrangement</p> <p>OR</p> <p>Use transitional provisions of IFRIC 4 and therefore determine whether an arrangement existing at the date of transition to IFRS contains a lease on the basis of facts and circumstances existing at that date.</p>	A first-time adopter may apply the transitional provisions in IFRIC 4 <i>Determining whether an Arrangement contains a Lease</i> .
First time adoption of IFRS: fair value measurement of financial assets or financial liabilities	IFRS 1	Measurement	IFRS 1 par. 25G	<p>Retrospective application of the "Day One" gain or loss recognition requirements in IAS 39, paragraph AG76 and AG76A or prospective application to transactions entered into after 25 October 2002</p> <p>OR</p> <p>Prospective application to transactions entered into after 1 January 2004</p>	IFRS 1 originally required retrospective application of the "Day One" gain or loss recognition requirements in IAS 39, paragraph AG76. After the revised IAS 39 was issued, constituents raised concerns that retrospective application would diverge from the requirements of U.S. GAAP.
First time adoption of IFRS: service concession arrangements	IFRS 1	Measurement	IFRS 1 par. 25H	<p>A first-time adopter may apply the transitional provisions in IFRIC 12 <i>Service Concession Arrangements</i></p> <p>OR</p>	Transitional provisions of IFRIC 12 provide some relief if, for any particular service arrangement, it is impracticable for an operator to apply IFRIC 12 retrospectively at the start of the earliest period presented.

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				Not apply the transitional provisions of IFRIC 12	
Business combinations: measurement of non-controlling interest	IFRS 3	Measurement	IFRS 3 par. 19	For each business combination, the acquirer shall measure any non-controlling interest in the acquiree at fair value OR At the non-controlling interest's proportionate share of the acquiree's identifiable net assets	This option is available on a transaction-by-transaction basis.
Disclosure of information about sensitivity of insurance risk	IFRS 4	Disclosures	IFRS 4 par. 39A	Either a sensitivity analysis prepared according to par. 39A(a) OR Qualitative information about sensitivity according to par. 39A(b)	These disclosures are part of information disclosures relating to the nature and extent of risks arising from insurance contracts.
Presentation of major classes of assets and liabilities classified as held for sale (breakdown of totals)	IFRS 5	Disclosures	IFRS 5 par. 33(a) and (b)	Shall be separately disclosed in the face of the statement of financial position OR In the notes	If the disposal group is a newly acquired subsidiary which meets the criteria to be classified as held for sale on acquisition, disclosure of the major classes of assets and liabilities is not required.
Presentation of net cash flows attributable to the operating, investing and financing activities of discontinued operations	IFRS 5	Disclosures	IFRS 5 par. 33(c)	In the Cash Flow Statement OR In the notes	These disclosures are not required for disposal groups that are newly acquired subsidiaries which meet the criteria to be classified as held for sale on acquisition.

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Subsequent measurement of exploration and evaluation assets	IFRS 6	Measurement	IFRS 6 par.12	Cost model OR Revaluation model	The revaluation model to be applied is defined in IAS 16 for assets classified as tangible or IAS 38 for assets classified as intangible.
Disclosure of information about the nature and the risks arising from financial instruments	IFRS 7	Disclosures	IFRS 7 Appendix B par. B6	Given in the financial statements OR Incorporated by cross-reference from the financial statements to some other statements	The other statement where required information can be disclosed is, for example, management commentary or risk report that is available to users of the financial statements on the same terms as those financial statements and at the same time. Without incorporating the cross-referenced information, the financial statements are incomplete.
Loans or receivables designated as at fair value through profit or loss: disclosure of the amount of change in the fair value loans or receivables that are attributable to changes in the credit risk	IFRS 7	Disclosures	IFRS 7 par. 9	The amount of change in the fair value can be measured as the amount of change in fair value that is not attributable to changes in market conditions which give rise to market risk (residual approach) OR Using an alternative method the entity believes more faithfully represents the amount of change in fair value that is attributable to changes in the credit risk of the asset	The amount of change can be measured on both a period-to-period or cumulative basis. Changes in market conditions which give rise to market risk include changes in an observed (benchmark) interest rate, commodity price, foreign exchange rate or index of prices or rates.
Financial liabilities designated as at fair value through profit or loss: disclosure of the amount of change in the fair value of	IFRS 7	Disclosures	IFRS 7 par. 9	The amount of change in the fair value can be measured as the amount of change in fair value that is not attributable to changes in market conditions	The amount of change can be measured on both a period-to-period or cumulative basis. Changes in market conditions that give rise to market risk include changes in a benchmark interest rate, the price of another entity's financial instrument, a commodity price,

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loans or receivables that is attributable to changes in the credit risk				that give rise to market risk (residual approach) OR Using an alternative method the entity believes more faithfully represents the amount of change in fair value that is attributable to changes in the credit risk of the asset	a foreign exchange rate or an index of prices or rates. For contracts that include a unit-linking feature, changes in market conditions include changes in the performance of the related internal or external investment fund.
Sensitivity analysis	IFRS 7	Disclosures	IFRS 7 par. 41	Entities that manage financial risks using Value at Risk (VaR) may use such an analysis for the purpose of complying with par. 40 of IFRS 7 OR May use the sensitivity analysis specified in paragraph 40 of IFRS 7	IFRS 7 par. 40(a) requires a sensitivity analysis for each type of market risk to which the entity is exposed. IFRS 7 par. 41 permits an entity to use a sensitivity analysis that reflects interdependencies between risk variables, such as a value-at-risk methodology, if it uses this analysis to manage its exposure to financial risks. This applies even if such a methodology measures only the potential for loss and does not measure the potential for gain. Such an entity might comply with IFRS 7 par. 41(a) by disclosing the type of value-at-risk model used and an explanation about how the model works and the main assumptions. An entity shall provide sensitivity analyses for the whole of its business, but may provide different types of sensitivity analysis for different classes of financial instruments.
Titles to use for financial statements	IAS 1	Title of statements	IAS 1 par. 10	An entity may use titles for the statements other than those used in IAS 1	IAS 1 uses the following titles for the statements: <ul style="list-style-type: none"> • Statement of financial position • Statement of comprehensive income • Statement of changes in equity • Statement of cash flows

Topic	IFRS/IAS	Category	Reference	Alternative options	Comments
Materiality and aggregation	IAS 1	Presentation and disclosures	IAS 1 par. 30	If a line item is not individually material, it is aggregated with other items either in the face of the primary statements OR In the notes	An item that is not sufficiently material to warrant separate presentation in the face of the statement of financial position or comprehensive income may nevertheless be sufficiently material for it to be presented separately in the notes.
Further subclassification of line items presented in the statement of financial position	IAS 1	Presentation	IAS 1 par. 77 and par. 78	To be presented either on the statement of financial position OR In the notes	Further classification should be in a manner appropriate to the entity's operations. The detail provided in subclassifications depends on the requirements of IFRS and on the size, nature and function of the amounts involved. An entity also uses the factors set out in paragraph 58 to decide the basis of subclassification. The disclosures vary for each item. For example: <ul style="list-style-type: none"> • Items of property, plant and equipment are disaggregated into classes in accordance with IAS 16 • Receivables are disaggregated into amounts receivable from trade customers, receivables from related parties, prepayments and other amounts • Inventories are disaggregated, in accordance with IAS 2 Inventories, into classifications such as merchandise, production supplies, materials, work in progress and finished goods • Provisions are disaggregated into provisions for employee benefits and other items • Equity capital and reserves are disaggregated into various classes, such as paid-in capital, share premium and reserves.

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Statement of financial position: disclosures of various items	IAS 1	Presentation and disclosures	IAS 1 par. 79	To be disclosed either in the statement of financial position OR The statement of changes in equity OR In the notes	IAS 1 provides the following list of items for each class of share capital: <ul style="list-style-type: none"> • the number of shares authorised • the number of shares issued and fully paid, and issued but not fully paid • par value per share, or that the shares have no par value • a reconciliation of the number of shares outstanding at the beginning and at the end of the period • the rights, preferences and restrictions attaching to that class including restrictions on the distribution of dividends and the repayment of capital • shares in the entity held by the entity or by its subsidiaries or associates • shares reserved for issue under options and contracts for the sale of shares, including terms and amounts • a description of the nature and purpose of each reserve within equity.
Statement of comprehensive income	IAS 1	Presentation	IAS 1 par. 81	All items of income and expense recognised in a period in a single statement of comprehensive income OR In two statements: the first displaying components of profit	The implementation guidance of IAS 1 includes a comprehensive illustrative example.

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				or loss (separate income statement) and a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income)	
Income tax relating to each component of other comprehensive income	IAS 1	Presentation	IAS 1 par. 90	In the statement of comprehensive income OR In the notes	The implementation guidance of IAS 1 includes a comprehensive illustrative example.
Income tax relating to each component of other comprehensive income	IAS 1	Presentation	IAS 1 par. 91	Net of related tax effects OR Before related tax effects with one amount shown for the aggregate amount of income tax relating to those components	The implementation guidance of IAS 1 includes a comprehensive illustrative example.
Reclassification adjustments relating to components of other comprehensive income	IAS 1	Presentation	IAS 1 par. 94	In the statement of comprehensive income OR In the notes	The implementation guidance of IAS 1 includes a comprehensive illustrative example.
Format of the statement of comprehensive income or of the separate income statement	IAS 1	Presentation	IAS 1 from par. 99 to par. 105	Analysis of expenses recognised in profit or loss using a classification based on either the nature of expenses OR By function within the entity	In selecting the format of the statement of comprehensive income entities should select the format that provides information that is reliable and more relevant.

Topic	IFRS/IAS	Category	Reference	Alternative options	Comments
Amount of dividends recognised as distributions to equity holders during the period, and the related amount per share	IAS 1	Presentation	IAS 1 par. 107	Statement of changes in equity OR In the notes	In practice, it is likely that the total amount of dividends will be shown in the statement of changes in equity and the amount per share will be disclosed in the notes.
Other information to be disclosed	IAS 1	Presentation and disclosures	IAS 1 par. 138	To be disclosed in the notes to the financial statements OR Elsewhere in information published with the financial statements	These disclosures include: <ul style="list-style-type: none"> the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office) a description of the nature of the entity's operations and its principal activities; and the name of the parent and the ultimate parent of the group
Cost formulas for inventories where specific identification is not appropriate (interchangeable and/or not segregated for specific projects)	IAS 2	Measurement	IAS 2 par. 25 and par. 36	First-in, first-out (FIFO) OR Weighted average cost	IAS 2 gives some guidance on what should be the drivers in the selection of the formula. Use same cost formula for all inventories having a similar nature and use to the entity. Other techniques such as standard cost method or the retail method could be used for convenience if the results approximate cost.
Cash flow statement: reporting cash flows from operating activities	IAS 7	Presentation	IAS 7 par. 18	Report cash flows from operating activities using direct method OR Indirect method	Entities are encouraged to use the direct method.

Topic	IFRS/IAS	Category	Reference	Alternative options	Comments
Cash flow statement: classification of interest paid and interest and dividends received for entities other than financial institutions	IAS 7	Presentation	IAS 7 par. 33	Interest paid and interest and dividends received may be classified as operating cash flows OR As financing cash flows and investing cash flows respectively	There is no consensus on the classification of these cash flows for entities other than financial institutions. Interest paid as well as interest and dividends received may be classified as operating cash flows because they enter into the determination of profit or loss. Alternatively, interest paid plus interest and dividends received may be classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments.
Cash flow statement: dividends paid	IAS 7	Presentation	IAS 7 par. 34	Dividends paid may be classified as a financing cash flow OR As a component of cash flows from operating activities	Dividends paid may be classified as a financing cash flow because they are a cost of obtaining financial resources. Alternatively, dividends paid may be classified as a component of cash flows from operating activities in order to assist users to determine the ability of an entity to pay dividends out of operating cash flows.
Disclosure relating to the explanation of the relationship between tax expense and accounting profit	IAS 12	Disclosures	IAS 12 par. 81	Numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s) OR Numerical reconciliation between the average effective tax rate and the applicable tax rate	Both formats relate to the explanation of the relationship between tax expense and accounting profit. They are illustrated in Appendix B Example 2 of IAS 12.
Subsequent measurement of property, plant & equipment (PPE)	IAS 16	Measurement	IAS 16 par. 29	Cost model OR Revaluation model	Cost Model is the benchmark model. According to the revaluation model, items are measured at fair value at the date of the revaluation less any subsequent

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					accumulated depreciation and subsequent accumulated impairment losses. Policy shall apply to an entire class of PPE.
Lessee's interest in both land and buildings	IAS 17	Measurement	IAS 17 par. 19 and IAS 40 par. 6	Land component is considered as an operating lease and the building component is considered an operating or finance lease OR Both components are accounted for as though it were a finance lease and the fair value model is used for the asset recognised	This classification alternative is available on a property-by-property basis. However, once this classification alternative is selected for one such property interest held under an operating lease, all property classified as investment property shall be accounted for by use of the fair value model.
Recognition of actuarial gains and losses for each defined benefit plan	IAS 19	Measurement and presentation	IAS 19 from par. 93 to par. 93B	Corridor approach OR Any systematic method that results in faster recognition of actuarial gains and losses in income statement OR Directly in other comprehensive income in the period in which they occur	If, as permitted by paragraph 93, an entity adopts a policy of recognising actuarial gains and losses in the period in which they occur, it may recognise them in other comprehensive income, in accordance with paragraphs 93B–93D, providing it does so for all of its defined benefit plans and for all of its actuarial gains and losses.
Presentation of financial components of post-employment benefit costs	IAS 19	Presentation	IAS 19 par. 119	The components of pension expense can either be segregated and presented as current service cost, interest	In practice, an entity might be able to isolate the interest cost component and recognise it as such within the finance component.

Topic	IFRS/IAS	Category	Reference	Alternative options	Comments
				cost and return on plan assets OR Presented as a single item of income or expense in the statement of comprehensive income	
Initial recognition of non-monetary government grants	IAS 20	Measurement	IAS 20 par. 23	Account for both grant and asset at fair value OR Nominal value	The nominal value would result in nil if the grant has been given for free.
Presentation of government grants	IAS 20	Presentation	IAS 20 par. 24	Recognised as deferred income OR Deducted from the asset's carrying value	Two methods of presentation in financial statements of grants are regarded as acceptable alternatives. The purchase of assets and the receipt of related grants can cause major movements in the cash flow of an entity. For this reason and in order to show the gross investment in assets, such movements are often disclosed as separate items in the cash flow statement (refer to IAS 7) regardless of whether or not the grant is deducted from the related asset for the purpose of statement of financial position presentation.
Presentation of grants related to income	IAS 20	Presentation	IAS 20 par. 29	Presented separately as a credit in the statement of comprehensive income OR Under a general heading such as "Other income" OR Deducted in reporting the	Both methods are regarded as acceptable for the presentation of grants related to income. Disclosure of the grant may be necessary for a proper understanding of the financial statements. Disclosure of the effect of the grants on any item of income or expense which is required to be separately disclosed is usually appropriate. Supporters of the first method claim that it is inappropriate to net income and expense items and that

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				related expense	separation of the grant from the expense facilitates comparison with other expenses not affected by a grant. For the second method it is argued that the expenses might well not have been incurred by the entity if the grant had not been available. Presentation of the expense without offsetting the grant may therefore be misleading.
Presentation currency of financial statements	IAS 21	Presentation	IAS 21 par. 38	Functional currency OR Any other currency	For practical reasons, a rate that approximates the exchange rates at the dates of the transactions -- for example an average rate for the period -- is often used to translate income and expense items. However, if exchange rates fluctuate significantly, the use of the average rate for a period is inappropriate. If presentation currency differs from functional currency, the entity translates results and financial position into presentation currency.
Classification of amounts payable to, and receivable from, related parties in the different categories as required in IAS 24 par. 18	IAS 24	Presentation	IAS 24 par. 19	In the statement of financial position OR In the notes	The categories are extended to provide a more comprehensive analysis of related party balances and apply to related party transactions.
Accounting for investments in subsidiaries, jointly controlled entities and associates in separate financial statements	IAS 27	Measurement	IAS 27 par. 37	At cost OR In accordance with IAS 39	Recognition in accordance with IAS 39 would result in using the fair value method (available for sale). Unless classified as "held for sale" under IFRS 5, apply same accounting for each category of investments.
Recognition of interests in joint ventures	IAS 31	Measurement	IAS 31 par. 30 and par. 38	Proportionate consolidation OR Equity method	Equity method is not recommended.

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The amount of treasury shares is disclosed separately	IAS 32	Presentation	IAS 32 par. 34	On the face of the statement of financial position OR In the notes	No gain or loss shall be recognised in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. Such treasury shares may be acquired and held by the entity or by other members of the consolidated group. Consideration paid or received shall be recognised directly in equity.
Presentation of dividends classified as an expense (i.e. issuer of preference shares that meet the definition of a liability)	IAS 32	Presentation	IAS 32 par. 40	In the statement of comprehensive income or a separate income statement (if presented) either with interest on other liabilities OR As a separate item	Disclosure of interest and dividends is subject to the requirements of IAS 1 and IFRS 7. In some circumstances, because of the differences between interest and dividends with respect to matters such as tax deductibility, it is desirable to disclose them separately in the income statement. Disclosures of the tax effects are made in accordance with IAS 12.
Presentation of EPS for discontinued operations	IAS 33	Presentation	IAS 33 par. 68	In the statement of comprehensive income OR In the notes	Note that basic and diluted earnings per share for profit or loss from continuing operations shall always be present on the face of the statement of comprehensive income.
Interim reporting	IAS 34	Presentation and disclosures	IAS 34 from par. 8 to par. 10	Condensed OR Complete set of financial statements	IAS 34 requires minimum disclosures, which are based on the assumption that users of the interim financial report also have access to the most recent annual financial statements. However, IAS 34 also requires an entity to disclose "any events or transactions that are material to an understanding of the current interim period". Therefore, if a first-time adopter did not, in its most recent annual financial statements under previous GAAP, disclose information material to an understanding of the current interim period, its interim financial report shall disclose that information or include a cross-reference to another published document that

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					includes it. As a result, it is likely that the condensed version allowed by IAS 34 is not applicable to first time adopters of IFRS.
Subsequent measurement of intangible assets	IAS 38	Measurement	IAS 38 par. 72	Cost model OR Revaluation model	Revaluation model allowed only in presence of an active market. If intangible asset accounted for using revaluation model, all other assets in class must be accounted for using same model.
Hedge of foreign exchange risk	IAS 39	Presentation	IAS 39 par. 87 and IG F.1.2, F.3.3, F.3.4, F.5.6	Fair value hedge OR Cash flow hedge	The hedging methodology has to be selected and designated at the inception of the hedge as part of the formal documentation of the hedging relationship and strategy. This option is available on an item-by-item basis.
Designation of financial assets on initial recognition as Available for Sale	IAS 39	Presentation and measurement	IAS 39 par. 9 <i>Definitions</i> and IFRS 1 par. 25A	Appropriate category (Fair Value Through Profit and Loss (FVTPL), Held to Maturity (HTM), Loans and Receivables (L&R)) OR Available for sale	First time adoption only: free choice on initial recognition for any financial instruments except for Held for Trading (HFT), derivatives and instruments engaged in a hedging relationship.
Designation of financial assets on initial recognition as FVTPL (Fair value option)	IAS 39	Presentation and measurement	IAS 39 par. 9 <i>Definitions</i>	Designation of financial assets/liabilities at FVTPL OR Follow normal IAS 39 rules to determine classification	An entity upon initial recognition is permitted to irrevocably designate financial assets and liabilities at fair value through profit or loss only if specific criteria are met.

Topic	IFRS/IAS	Category	Reference	Alternative options	Comments
Regular way purchase or sale of a financial asset	IAS 39	Measurement	IAS 39 par. 38	A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting OR Settlement date accounting	The trade date is the date that an entity commits itself to purchase or sell an asset. The settlement date is the date that an asset is delivered to or by an entity. The method chosen has to be applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets.
Accounting methodology for non-financial assets/liabilities engaged in a cash flow hedging relationship	IAS 39	Presentation	IAS 39 par. 98	Basis adjustment (removal of associated gains and losses recognised directly in equity and include them in initial cost or other carrying amount of asset/liability) OR Recycle from equity to profit or loss	This option is not available for financial assets and financial liabilities (i.e. only hedge of forecast transaction that subsequently results in a non-financial asset/liability or forecast transaction for a non-financial asset/liability that becomes a firm commitment).
Assessment of hedge effectiveness	IAS 39	Measurement	IAS 39 IG F.4.2	On a cumulative basis OR On a period-to-period basis	The hedge effectiveness assessment methodology has to be selected and designated at the inception of the hedge as part of the formal documentation of the hedging relationship and strategy.
Assessment of hedge effectiveness	IAS 39	Measurement	IAS 39 IG F.4.1	After-tax basis OR Pre-tax basis	The hedge effectiveness assessment methodology has to be selected and designated at the inception of the hedge as part of the formal documentation of the hedging relationship and strategy.

Topic	IFRS/IAS	Category	Reference	Alternative options	Comments
Subsequent measurement of investment properties	IAS 40	Measurement	IAS 40 par. 30	Either the fair value model OR The cost model	Under the fair value model all gains or losses arising from a change in the fair value of investment property shall be recognised in profit or loss for the period in which it arises. Selected policy must be applied to all investment property.
Disclosure of some information relating to agricultural entities	IAS 41	Disclosures	IAS 41 par. 46	To be disclosed in the notes to the financial statements OR Elsewhere in information published with the financial statements	This information includes: <ul style="list-style-type: none"> • the nature of its activities involving each group of biological assets; and • non-financial measures or estimates of the physical quantities of: <ul style="list-style-type: none"> ○ each group of the entity's biological assets at the end of the period; and ○ output of agricultural produce during the period.

This publication provides information with regard to the application of IFRS. The application of IFRS is the responsibility of the management of the relevant entity and therefore this guide cannot be taken as a definitive reference. It does not replace the need for professional judgment with regard to relevant standards, other requirements and all of the relevant circumstances relating to the issue under review.

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Acronyms

FVTPL Fair Value through Profit and Loss

HTM Held to Maturity

L&R Loans and Receivables

HFT Held for Trading

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The new approach to business combination introduced by the revised IFRS 3 and the revised IAS 27



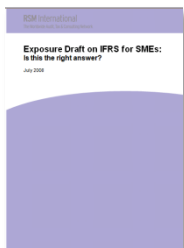
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