IFRS at a Glance

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Objective of IFRS

The objective of IFRS is:

- To establish a universal language for the companies to prepare the financial statements.
- To establish accounting rules to make it easier for the stakeholders to interpret the financial statements irrespective of the business location.
- Make the accounting statements comparable, credible and transparent.
- To assist companies in appropriately categorizing and reporting financial data.
- To make comparisons and to perform data analysis easy and meaningful.

Relationship between IFRS and IAS

Relationship between IFRS and IAS:

IAS represents International Accounting Standards, while IFRS refers to International Financial Reporting Standards. The IAS were published between 1973 and 2001, while IFRS were published from 2001 onwards. IAS measures come via the International Accounting Standard Committee (IASC), while the IFRS come through the International Accounting Standard Board (IASB), which succeeded the IASC. In 2001, when the IASB took over IASC's responsibility in setting the standards, it was agreed to adopt all IAS and name future standards as IFRS and any principles within IFRS that may be contradictory, will supersede IAS.

Technically, they are the same but gradually, new IFRS will replace old IAS e.g., IFRS 16 Leases replaces IAS 17 Lease.

When BFRS was replaced by IFRS?:

The Council of the Institute of Chartered Accountants of Bangladesh (ICAB) has decided to move towards International Financial Reporting Standards (IFRS) in Bangladesh instead of its current format of Bangladesh Financial Reporting Standards (BFRS) from 1 January 2018. So, for all applicable entities in Bangladesh, IFRS will be effective for annual period beginning on or after 1 January 2018.

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IFRS 2- Share-based Payment

Objective	Scope	Recognition	Subsequent Measurement	Disclosure Requirements
IFRS 2 sets out the accounting for transactions in which an entity receives or acquires goods or services either as consideration for its equity instruments or by incurring liabilities for amounts based on the price of its shares or other equity instruments.	The concept of share-based payments is broader than employee share options. IFRS 2 applies to all entities. There is no exemption for private or smaller entities. Furthermore, subsidiaries using their parent's or fellow subsidiary's equity as consideration for goods or services are within the scope of the Standard.	An entity shall recognize the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. The entity shall recognize a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction, or a liability if the goods or services were acquired in a cash-settled share-based payment transaction. Associated expense should be spread over the vesting period (unless vest immediately). Expense should take into account non-market-based vesting conditions.	For equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity. For cash-settled share-based payment transactions, the entity shall measure the goods or services acquired and the liability incurred at the fair value of the liability.	• The nature and extent of share-based payment arrangements that existed during the period. • How the fair value of the goods or services received, or the fair value of the equity instruments granted during the period was determined. • The effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position.

IFRS 3- Business Combinations

Objective	Scope	Initial Measurement	Subsequent Measurement	Disclosure Requirements
IFRS 3 outlines the accounting when an acquirer obtains control of a business (e.g., an acquisition or merger). Such business combinations are accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measured at their fair values at the acquisition date.	This IFRS applies to a transaction or other event that meets the definition of a business combination.	As of the acquisition date, the acquirer shall recognize, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non- controlling interest in the acquiree. The acquirer shall measure the identifiable assets acquired and the liabilities assumed at their acquisition- date fair values	In general, an acquirer shall subsequently measure and account for assets acquired, liabilities assumed or incurred, and equity instruments issued in a business combination in accordance with other applicable IFRS for those items, depending on their nature.	The acquirer shall disclose information that enables users of its financial statements to evaluate the nature and financial effect of a business combination that occurs either: (a) during the current reporting period; or (b) after the end of the reporting period but before the financial statements are authorized for issue.

****IFRS 4 is not commonly used, so, IFRS 5 will be presented in the next slide.**

IFRS 5- Non-current Assets Held for Sale and Discontinued Operations

Objective	Scope	Initial Measurement	Subsequent Measurement	Disclosure Requirements
IFRS 5 outlines how to account for non-current assets held for sale (or for distribution to owners). IFRS 5 requires assets and groups of assets that are 'held for sale' to be presented separately on the face of the statement of financial position and the results of discontinued operations to be presented separately in the statement of profit or loss and other comprehensive income. This is required so that users of financial statements will be better able to make projections about the financial position, profits and cash flows of the entity based on continuing operations only	A disposal group may include current and non-current assets and current and non-current liabilities. IFRS 5 does not apply to: • Deferred tax assets (IAS 12). • Assets arising from employee benefits (IAS 19). • Financial assets (IFRS 9). • Investment properties accounted for in accordance with the fair value model (IAS 40). • Agricultural and biological assets that are measured at fair value less estimated point of sale costs (IAS 41).	At the time of classification as held for sale immediately before the initial classification of the asset as held for sale, the carrying amount of the asset will be measured in accordance with applicable IFRSs. Resulting adjustments are also recognized in accordance with applicable IFRSs.	An entity shall measure a non- current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell. Non-current assets held for sale should not be depreciated, even if they are still being used by the entity.	Non-current assets and disposal groups classified as held for sale should be presented separately from other assets in the statement of financial position. Additional Disclosures: • A description of the non-current asset (or disposal group). • A description of the facts and circumstances of the disposal. • Any gain or loss recognized when the item was classified as held for sale.

****IFRS 6 is not commonly used, so IFRS 7 will be presented in the next slide.**

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IFRS 7- Financial Instruments: Disclosures

Objective	Scope	Disclosures In SFP	Disclosures in SoPL
IFRS 7 requires disclosure of information about the significance of financial instruments to an entity, and the nature and extent of risks arising from those financial instruments, both in qualitative and quantitative terms. Specific disclosures are required in relation to transferred financial assets and a number of other matters.	IFRS 7 applies to all entities and to all types of financial instruments, except instruments that are specifically covered by other standards as follows: • Interests in subsidiaries, associates and joint ventures that are accounted for in accordance with IFRS 10- Consolidated Financial Statements or IAS 28- Investments in Associates and Joint Ventures. • Employers' rights and obligations arising from employee benefit plans, to which IAS 19- Employee Benefits applies. • Insurance contracts as defined in IFRS 17- Insurance Contracts. • Financial instruments, contracts and obligations under share-based payment transactions to which IFRS 2- Share-based Payment applies.	The following disclosures are required in the statement of financial position (SFP): • Categories of financial assets (FA) and financial liabilities: • The carrying amounts of FA at Fair Value Through Profit or Loss (FVTPL), Fair Value Through Other Comprehensive Income (FVTOCI), amortized cost, investment in equity instruments, financial liabilities (FL) at FVTPL and amortized cost, as defined in IFRS 9. • Loans and receivables at FVTPL including calculation of credit risk, methods of calculation and market risk. • Other disclosures such as accounting policies, hedge accounting and fair value as per IFRS 13.	An entity should disclose the following items of income, expense, gains or losses either in the statement of profit or loss (SoPL) and other comprehensive income or in the notes: • Net gains or net losses classified on financial assets or liabilities through PL, investment in equity instrument, held- to-maturity investment, loans and receivables and financial liabilities measured at amortized cost. • Total interest income and total interest expense. • Fee income and expense. • Interest income on impaired financial assets. • The amount of any impairment loss for each class of financial asset.

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IFRS 8- Operating Segments

Objective	Scope	Determining reportable segments	Disclosures Requirements

IFRS 8 requires entities to disclose information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.	This standard applies only to entities with debt or equity instruments traded in a public market or is in the process of issuing instruments in a public market.	An operating segment is reportable where:
		• It meets the definition of an operating segment; and
		• Any of the following size criteria are met:
		    • Segment revenue ≥ 10% of total revenue
		    • Segment profit or loss ≥ 10% of the profit of all segments in profit.
		    • Segment assets ≥ 10% of total assets
		• At least 75% of total external revenue must be reported by operating segments.
			• Segment disclosures: factors used to identify the entity's reportable segments.
			• Types of products and services from each of the reportable segments including operating segment revenue, interest revenue, profit or loss, income taxes, segment assets & liabilities, and certain income and expense items, non-current assets, investment in associates/jointly controlled entities, and reportable segment liabilities.
			• Entity-wise disclosures of external revenue by each product and service along with geographical information.

IFRS 9- Financial Instruments

Objective	Scope	Initial Measurement	Subsequent Measurement
The objective of this standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IFRS 9 sets out requirements for recognition and measurement of financial instruments, including impairment, derecognition and general hedge accounting.	This Standard shall be applied by all entities to all types of financial instruments except: • those interests in subsidiaries, associates and joint ventures that are accounted for in accordance with IFRS 10, IAS 27, IAS 28, IAS 32. • rights and obligations under leases to which IFRS 16 Leases applies. • employers' rights and obligations under employee benefit plans, to which IAS 19 applies. • financial instruments issued by the entity that meet the definition of an equity instrument in IAS 32. • financial instruments, contracts and obligations under share-based payment transactions to which IFRS 2 applies. • rights and obligations and impairment requirement within the scope of IFRS 15.	**Financial assets:** • Investments in debt instruments: **Fair value + transaction costs** • Investments in equity instruments not 'held for trading': **Fair value + transaction costs** • All other financial assets: **Fair value (transaction costs expensed in P/L)** **Financial liabilities:** • Most financial liabilities (e.g., trade payables, loans, preference shares classified as a liability)**: Fair value less transaction costs** • Financial liabilities at fair value through profit or loss: **Fair value (transaction costs expensed in P/L)**	**Financial assets:** • Investments in debt instruments: **Amortized cost.** • Investments in equity instruments not 'held for trading': **Fair value through other comprehensive income.** • All other financial assets: **Fair value through profit or loss** **Financial liabilities:** • Most financial liabilities (e.g., trade payables, loans, preference shares classified as a liability): **Amortized cost** • Financial liabilities at fair value through profit or loss: **Fair value through profit or loss**

IFRS 10- Consolidated Financial Statements

Objective	Control Definition	Consolidation Procedures
IFRS 10 sets out the requirements for determining whether an entity (a parent) controls another entity (a subsidiary). The most important aspect is control. IFRS 10 covers the basic definitions and consolidation requirements and the rules on exemptions from preparing group accounts. The standard requires a parent to present consolidated financial statements, consolidating all subsidiaries, both foreign and domestic.	IFRS 10 states that an investor controls an investee if and only if it has all of the following: • Power over the investee is the ability to direct activities that influence returns • The ability to use its power over the investee to affect the amount of the investor's returns. • Exposure, or rights, to variable returns from its involvement with the investee • If there are changes to one or more of these three elements of control, then an investor should reassess whether it controls an investee.	A parent prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. **Procedure of Preparing Consolidated Financial Statements**: • Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. • Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary (IFRS 3 Business Combinations explains how to account for any related goodwill). • Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

IFRS 11- Joint Arrangements

Objective	Scope	Recognition-Joint Operation	Recognition-Joint Venture
IFRS 11 outlines the accounting by entities that jointly control an arrangement. Joint control involves the contractually agreed sharing of control and arrangements subject to joint control that is classified as either a joint venture (representing a share of net assets and equity accounted) or a joint operation (representing rights to assets and obligations for liabilities, accounted for accordingly).	IFRS 11 applies to all entities that are a party to a joint arrangement (joint operation or joint venture).	• Each party to the joint operation (or each “joint operator”) recognizes its share of the assets, liabilities, revenues and expenses of the joint arrangement. • The share is determined based on the rights and obligations of each party as set out in the contractual terms. • The joint operator is required to apply the corresponding IFRS to each financial statement element recognized.	• Each party to the joint venture recognizes an investment. • The investment is accounted for using the equity method in accordance with IAS 28 . • The general requirements of IAS 28 remain essentially unchanged from the existing guidance on equity-method accounting.

****IFRS 12 is not commonly used, so IFRS 13 will be presented in the next slide.**

IFRS 13- Fair Value Measurement

Objective	Scope	Fair Value Hierarchy	Valuation Techniques
IFRS 13, Fair Value Measurement gives extensive guidance on how the fair value of assets and liabilities should be established. It sets out to: • define fair value. • set out in a single IFRS a framework for measuring fair value. • require disclosures about fair value measurements.	IFRS 13 applies when another standard requires or permits fair value measurements or disclosures about fair value measurements (and measurements such as fair value less costs to sell) but does not stipulate which items should be measured or disclosed at fair value.	The standard establishes a three-level hierarchy for the inputs that valuation techniques use to measure fair value: • **Level 1: Quoted prices** (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date. • **Level 2: Inputs other than quoted prices** included within Level 1 that are observable for the asset or liability, either directly or indirectly *e.g., quoted prices for similar assets in active markets or for identical or similar assets in non-active markets or use of quoted interest rates for valuation purposes.* • **Level 3: Unobservable inputs** for the asset or liability i.e., *using the entity's own assumptions about market exit value*	An entity uses valuation techniques appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Three widely used valuation techniques that are used to determine the fair value, are: • market approach • cost approach • income approach

****IFRS 14 is not commonly used, so IFRS 15 will be presented in the next slide.**

IFRS 15- Revenue from Contracts with Customers

Objective	Scope	Recognition	Presentation	Disclosure Requirements
IFRS 15 specifies how and when an entity will recognize revenue as well as requiring such entities to provide users of financial statements with more informative and relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.	IFRS 15 applies to all contracts with customers except for: • leases within the scope of IFRS 16- Leases. • insurance contracts within the scope of IFRS 4- Insurance Contracts. • non-monetary exchanges between entities in the same line of business.	Revenue is recognized in accordance with this core principle by applying a five-step model: • **Step 1**: Identify the contract(s) with a customer. • **Step 2**: Identify separate performance obligations. • **Step 3**: Determine the transaction price. • **Step 4:** Allocate transaction price to performance obligations. • **Step 5:** Recognize revenue as or when each performance obligation is satisfied. Revenue is therefore recognized when control over goods or services is transferred to the customer.	Contracts with customers will be presented in an entity's statement of financial position as: • a contract liability, • a contract asset, or • a receivable depending on the relationship between the entity's performance and the customer's payment. Where revenue has been invoiced, a receivable is recognized. Where revenue has been earned but not invoiced, it is recognized as a contract asset.	• Category-wise revenue from contracts with customers. • Impairment losses recognized on receivables, or contract assets. • The opening and closing balances of receivables, contract assets and contract liabilities. • A description of performance obligations. • The transaction price allocated to performance obligations that are unsatisfied at the end of the reporting period and the explanations.

IFRS 16- Leases

Objective	Scope	Recognition	Initial Measurement	Subsequent measurement
IFRS 16 sets out the recognition, measurement, presentation and disclosure requirements for leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16 approach to lessor accounting substantially unchanged from IAS 17.	An entity shall apply this Standard to all leases, including leases of right-of-use assets in a sublease, except for: (a) leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources; (b) leases of biological assets within the scope of IAS 41- Agriculture held by a lessee; (c) service concession arrangements within the scope of IFRIC 12- Service Concession Arrangements; (d) licenses of intellectual property granted by a lessor within the scope of IFRS 15- Revenue from Contracts with Customers; (e) rights held by a lessee under licensing agreements within the scope of IAS 38- Intangible Assets for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights	At the commencement date, **a lessee** shall recognize a right-of-use asset and a lease liability. **Lessors** shall classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease.	**Initially, the right-of-use asset** is measured at cost (initial lease liability + initial direct cost+ any lease payment initially + dismantling cost) **At commencement of the lease**, **the lease liability is measured** at the present value of future lease payments including any payments expected at the end of the lease.	**Subsequently, the right-of-use asset** will be measured at cost less accumulated depreciation and impairment losses in line with IAS 16, Property, Plant and Equipment. **Subsequently, the lease liability is amortized**: • Interest will accrue on the outstanding lease, at the rate stated in the lease contract. • Payments made in respect of the lease by the lessee will reduce the outstanding liability.

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IFRS 17- Insurance Contracts

Objective	Scope	Initial Measurement	Subsequent Measurement	Disclosure Requirements
IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This Standard is applicable for annual periods beginning on or after 1 January 2023, including the amendments that were issued in June 2020.	An entity shall apply IFRS 17 to: (a) insurance contracts, including reinsurance contracts, it issues; (b) reinsurance contracts it holds; and (c) investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts.	On initial recognition, an entity shall measure a group of insurance contracts at the total of: (a) the fulfilment cash flows ("FCF"), which comprise: (i) estimates of future cash flows; (ii) an adjustment to reflect the time value of money ("TVM") and the financial risks associated with the future cash flows; and (iii) a risk adjustment for non-financial risk. (b) the contractual service margin ("CSM")	On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of: (a) the liability for remaining coverage comprising: (i) the FCF related to future services and; (ii) the CSM of the group at that date; (b) the liability for incurred claims, comprising the FCF related to past service allocated to the group at that date.	An entity shall disclose qualitative and quantitative information about: (a) the amounts recognized in its financial statements that arise from insurance contracts; (b) the significant judgements, and changes in those judgements, made when applying IFRS 17; (c) the nature and extent of the risks that arise from insurance contracts.

****IFRS 17 is the latest development of IFRS, and it is the last IFRS so far. Now, IAS 1 will be presented in the next slide.**

IAS 1- Presentation of Financial Statements

Objective	Scope	Requirement of IAS 1
IAS 1 sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.	IAS 1 applies to all general-purpose financial statements that are prepared and presented in accordance with International Financial Reporting Standards (IFRSs). General purpose financial statements are those intended to serve users who are not in a position to require financial reports tailored to their particular information needs.	• Fair presentation and compliance with IFRS. • Going concern. • Accrual basis of accounting. • Consistency of presentation. • Materiality and aggregation. • Offsetting. • Comparative information. • Reporting period. • Current and non-current classification. • Line items. • Choice in presentation and basic requirements. • Judgements and key assumptions. • Dividends notes. • Capital disclosures. • Any other relevant information related to the reporting of the assets and liabilities.

IAS 2- Inventories

Objective	Scope	Recognition & Measurement	Disclosure Requirements
The objective of IAS 2 is to prescribe the accounting treatment for inventories. It provides guidance for determining the cost of inventories and for subsequently recognizing an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories. It also outlines acceptable methods of determining cost, including specific identification (in some cases), first-in first-out (FIFO) and weighted average cost.	Inventories include assets held for sale in the ordinary course of business (finished goods), assets in the production process for sale in the ordinary course of business (work in process), and materials and supplies that are consumed in production (raw materials).	Inventories are required to be stated at the lower of cost and net realizable value (NRV). Cost should include all: • costs of purchase (including taxes, transport, and handling) net of trade discounts received; • costs of conversion (including fixed and variable manufacturing overheads); and • other costs incurred in bringing the inventories to their present location and condition NRV is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.	• Accounting policy for inventories. • Carrying amount, generally classified as merchandise, supplies, materials, work in progress, and finished goods. The classifications depend on what is appropriate for the entity • Carrying amount of any inventories carried at fair value less costs to sell. • Amount of any write-down of inventories recognized as an expense in the period • Cost of inventories recognized as expense (cost of goods sold)

****IAS 3-6 are not commonly used, so IAS 7 will be presented in the next slide.**

IAS 7- Statement of Cash Flows

Objective	Scope	Presentation of a statement of cash flows
IAS 7 requires an entity to present a statement of cash flows as an integral part of its primary financial statements. IAS 7 requires a statement of cash flows to present information about changes in cash and cash equivalents. Cash flows are classified and presented into operating activities (either using the 'direct' or 'indirect' method), investing activities or financing activities, with the latter two categories generally presented on a gross basis.	An entity shall prepare a statement of cash flows in accordance with the requirements of this standard and shall present it as an integral part of its financial statements for each period for which financial statements are presented.	**Operating activities**: Operating activities are the principal revenue producing activities of the entity and other activities that are not investing or financing activities. Operating cash flows are reported using either the direct (recommended) or the indirect method. Cash flows from taxes on income are classified as operating unless they can be specifically identified with financing or investing activities. **Investing activities**: Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash equivalents. **Financing activities**: Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity. Aggregate cash flows from obtaining or losing control of subsidiaries are presented separately and classified as investing activities. Investing and financing transactions that do not require the use of cash are excluded from the statement of cash flows but need to be disclosed. Entities must reconcile the opening and closing amounts in the statement of financial position for items classified as financing activities.

IAS 8- Accounting Policies, Changes in Accounting Estimates and Errors

Objective	Changes in Accounting Policies	Changes in Accounting Estimates	Disclosure Requirements

IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors.
 	
The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.
	Accounting policies must be applied consistently to similar transactions.
	When a change in accounting policy is required by an IFRS Standard, the pronouncement's transitional requirements are followed.
	
	Prior Period Errors:
	All material prior period errors are corrected by restating comparative prior period amounts and, if the error occurred before the earliest period presented, by restating the opening statement of financial position.
		Changes in accounting estimates (e.g. change in useful life of an asset) are accounted for prospectively, in the current year, or future years, or both.
		
		The comparative information is not restated.
			• The title of the standard or interpretation causing the change.
			• The nature of the change in accounting policy.
			• A description of the transitional provisions, including those that might have an effect on future periods.
			• For the current period and each prior period presented, to the extent practicable, the amount of the adjustment:
			  ◦ for each financial statement line item affected, and
			  ◦ for basic and diluted earnings per share.
			• The amount of the adjustment relating to periods before those presented, to the extent practicable.
			• If retrospective application is impracticable, an explanation and description of how the change in accounting policy was applied.

****IAS 9 is not commonly used, so IAS 10 will be presented in the next slide.**

IAS 10- Events after the Reporting Period

Objective	Scope	Adjusting Event	Non-adjusting Event	Recognition
IAS 10 contains requirements for when events after the end of the reporting period should be adjusted in the financial statements. Adjusting events are those providing evidence of conditions existing at the end of the reporting period, whereas non-adjusting events are indicative of conditions arising after the reporting period (the latter being disclosed where material).	This Standard shall be applied in the accounting for, and disclosure of, events after the reporting period.	The financial statements are adjusted for events that provide evidence of conditions that existed at the end of the reporting period e.g., the resolution of a court case after the end of the reporting period).	The financial statements are not adjusted for events that arose after the end of the reporting period e.g., a decline in market prices after year end). However, if the events after the end of the reporting period indicate that the going concern assumption is not appropriate, those financial statements are not prepared on a going concern basis. Dividend proposed or declared after the end of the reporting period are not recognized as a liability at the end of the reporting period.	Non-adjusting events should be disclosed if they are of such importance that non-disclosure would affect the ability of users to make proper evaluations and decisions. The required disclosures are: (a) The nature of the event, and (b) An estimate of its financial effect or a statement that a reasonable estimate of the effect cannot be made. Companies must disclose the date when the financial statements were authorized for issue and who gave that authorization.

****IAS 11 is not commonly used, so IAS 12 will be presented in the next slide.**

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IAS 12- Income Taxes

Objective	Current Tax & Deferred Tax	Recognition of deferred tax assets	Measurement of deferred tax	Disclosure Requirements
The objective of IAS 12 is to prescribe the accounting treatment for income taxes. In meeting this objective, IAS 12 notes the following: -It is inherent in the recognition of an asset or liability that asset or liability will be recovered or settled, and this recovery or settlement may give rise to future tax consequences which should be recognized at the same time as the asset or liability -An entity should account for the tax consequences of transactions and other events in the same way it accounts for the transactions or other events themselves.	**Current Tax:** Current tax for current and prior periods shall, to the extent unpaid, be recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset. **Deferred Tax:** Deferred tax assets and liabilities are the income taxes recoverable or payable in future periods as a result of differences between the amounts attributed to assets and liabilities from applying IFRS Standards and the amounts those assets and liabilities are attributed for tax purposes (called temporary differences).	**Deferred tax liabilities** are recognized for the future tax consequences of all taxable temporary differences, except: • liabilities arising from initial recognition of goodwill. • liabilities arising from the initial recognition of an asset/liability other than in a business combination. • liabilities arising from temporary differences associated with investments in subsidiaries, branches, and associates, and interests in joint arrangements. **A deferred tax asset** is recognized for deductible temporary differences, unused tax losses and unused tax credits to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.	Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the period when the asset is realized or the liability is settled, based on tax rates/laws that have been enacted or substantively enacted by the end of the reporting period.	• Major components of tax expense. Examples include: • Current tax expense/income any adjustments of taxes of prior periods. • Amount of deferred tax expense\income relating to the origination and reversal of temporary differences. • Amount of deferred tax expense/income relating to changes in tax rates or the imposition of new taxes. • Amount of the benefit arising from a previously unrecognized tax loss, tax credit or temporary difference of a prior period. • Write down, or reversal of a previous write down, of a deferred tax asset. • Amount of tax expense/income relating to changes in accounting policies and corrections of errors.

****IAS 13-15 are not commonly used, so IAS 16 will be presented in the next slide.**

IAS 16- Property, Plant and Equipment

Objective	Scope	Initial Measurement	Subsequent Measurement	Disclosure Requirements
The objective of IAS 16 is to prescribe the accounting treatment for property, plant, and equipment. The principal issues are the recognition of assets, the determination of their carrying amounts, recognition of depreciation charges and impairment losses.	IAS 16 applies to the accounting for property, plant and equipment, except where another standard requires or permits differing accounting treatments.	An item of property, plant and equipment should initially be recorded at cost.	IAS 16 permits two accounting models for subsequent measurement as follows: • Cost model. • Revaluation model.	• Basis for measuring carrying amount. • Depreciation method(s) used. • Useful lives or depreciation rates. • Gross carrying amount and accumulated depreciation and impairment losses.

****IAS 17-18 are not commonly used, so IAS 19 will be presented in the next slide.**

IAS 19- Employee Benefits

Objective	Scope	Defined Benefit plan	Defined Contribution Plan	Disclosure
The objective of IAS 19 is to prescribe the accounting and disclosures for employee benefits, requiring an entity to recognize a liability where an employee has provided service and an expense when the entity consumes the economic benefits of employee service.	IAS 19 applies to: • Short-term employee benefits; such as wages and salaries, bonuses and paid holidays. • Post-employment benefits; such as pensions and post-retirement health cover. • Other long-term employee benefits; such as sabbatical and long service leave. • Termination benefits; such as redundancy and severance pay.	A liability (or asset) is recognized equal to the net of the present value of the obligations under the defined benefit plan and the fair value of the plan assets at the end of the reporting period. The present value is calculated using a rate determined with reference to market yields on high-quality corporate bonds. The measurement of a net defined benefit liability or assets requires the application of an actuarial valuation method, the attribution of benefits to periods of service, and the use of actuarial assumptions. The fair value of any plan assets is deducted from the present value of the defined benefit obligation in determining the net deficit or surplus.	For defined contribution plans, the amount recognized in the period is the contribution payable in exchange for service rendered by employees during the period. Contributions to a defined contribution plan which are not expected to be wholly settled within 12 months after the end of the annual reporting period in which the employee renders the related service are discounted to their present value.	• An explanation of the characteristics of an entity's defined benefit plans, and the associated risks. • Identification and explanation of the amounts arising in the financial statements from defined benefit plans. • A description of how the defined benefit plans may affect the amount, timing and uncertainty of the entity's future cash flows.

IAS 20- Accounting for Government Grants and Disclosure of Government Assistance

Objective	Scope	Accounting for grants	Disclosure Requirements
IAS 20 outlines how to account for government grants and other assistance. Government grants are recognized in profit or loss on a systematic basis over the periods in which the entity recognizes expenses for the related costs for which the grants are intended to compensate, which in the case of grants related to assets requires setting up the grant as deferred income or deducting it from the carrying amount of the asset.	IAS 20 applies to all government grants and other forms of government assistance.	**A government grant** is recognized only when there is reasonable assurance that: (a) the entity will comply with any conditions attached to the grant and (b) the grant will be received. The grant is recognized as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis. Non-monetary grants are usually recognized at fair value, although recognition at nominal value is permitted. A grant receivable as compensation for costs already incurred or for immediate financial support, with no future related costs, should be recognized as income in the period in which it is receivable. A grant relating to assets may be presented in one of two ways: • as deferred income, or • by deducting the grant from the asset's carrying amount. A grant relating to income may be reported separately as 'other income' or deducted from the related expense.	• Accounting policy adopted for grants, including method of balance sheet presentation. • Nature and extent of grants recognized in the financial statements. • Unfulfilled conditions and contingencies attaching to recognized grants. • Government grants do not include government assistance whose value cannot be reasonably measured, such as technical or marketing advice and this should be disclosed.

IAS 21- The Effects of Changes in Foreign Exchange Rates

Objective	Scope	Initial Recognition	Subsequent Measurement	Disclosure Requirements
IAS 21 outlines how to account for foreign currency transactions and operations in financial statements, and also, how to translate financial statements into a presentation currency. An entity is required to determine a functional currency (for each of its operations if necessary) based on the primary economic environment in which it operates and generally records foreign currency transactions using the spot conversion rate to that functional currency on the date of the transaction.	This Standard shall be applied to: (a) in accounting for transactions and balances in foreign currencies, except for those derivative transactions and balances that are within the scope of IFRS 9 Financial Instruments; (b) in translating the results and financial position of foreign operations that are included in the financial statements of the entity by consolidation or the equity method; and (c) in translating an entity's results and financial position into a presentation currency.	A foreign currency transaction should be recorded initially at the rate of exchange prevailing at the date of the transaction (use of averages is permitted if they are a reasonable approximation of actual).	At each subsequent balance sheet date: • Foreign currency monetary amounts should be reported using the closing rate. • Non-monetary items carried at historical cost should be reported using the exchange rate at the date of the transaction. • Non-monetary items carried at fair value should be reported at the rate that existed when the fair values were determined.	• The amount of exchange differences recognized in profit or loss. • Net exchange differences recognized in other comprehensive income and accumulated in a separate component of equity. • When the presentation currency is different from the functional currency, disclose that fact together with the functional currency and the reason for using a different presentation currency. • A change in the functional currency of either the reporting entity or a significant foreign operation and the reason, thereof.

****IAS 22 is not commonly used, so IAS 23 will be presented in the next slide.**

IAS 23- Borrowing Costs

Objective	Scope	Recognition	Measurement	Disclosure Requirements
IAS 23 prescribes the accounting when borrowings are made to acquire or construct an asset. Borrowing costs include interest on bank overdrafts and borrowings, finance charges on finance leases and exchange differences on foreign currency borrowings where they are regarded as an adjustment to interest costs.	Two types of assets that would otherwise be qualifying assets are excluded from the scope of IAS 23: • Qualifying assets measured at fair value, such as biological assets accounted for under IAS 41 Agriculture. • Inventories that are manufactured, or otherwise produced, in large quantities on a repetitive basis and that take a substantial period to get ready for sale.	Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are included in the cost of that asset. All other borrowing costs are expensed when incurred. A qualifying asset is one that takes a substantial period of time to make it ready for its intended use or sale. If funds are borrowed generally and used for the purpose of obtaining a qualifying asset, a capitalization rate (using a weighted average of the borrowing costs over the period) is used. The borrowing costs eligible for capitalization cannot exceed the amount of borrowing costs incurred.	Where funds are borrowed specifically, costs eligible for capitalization are the actual costs incurred less any income earned on the temporary investment of such borrowings. Where funds are part of a general pool, the eligible amount is determined by applying a capitalization rate to the expenditure on that asset. The capitalization rate will be the weighted average of the borrowing costs applicable to the general pool. Capitalization should be suspended during periods in which active development is interrupted. Capitalization should cease when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.	-Amount of borrowing cost capitalized during the period. -Capitalization rate used.

IAS 24- Related Party Disclosures

Objective	Scope	Related Parties	Disclosure Requirements

IAS 24 sets out disclosure requirements to make investors aware that the financial position and results of operations may have been affected by the existence of related parties.
 	
IAS 24 requires disclosures about transactions and outstanding balances with an entity's related parties. The standard defines various classes of entities and people as related parties and sets out the disclosures required in respect of those parties, including the compensation of key management personnel.
	This Standard shall be applied in:
	(a) identifying related party relationships and transactions;
	(b) identifying outstanding balances, including commitments, between an entity and its related parties;
	(c) identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
	(d) determining the disclosures to be made about those items.
		Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party’s financial and operating policies.
		a) An entity that has control, joint control or significant influence over another entity e.g., a parent-subsidiary or parent-associate or parent-joint venture relationship would be a related party relationship.
		b) Two subsidiaries of the same parent company would also be related parties because they are under common control.
		c) Directors/key management.
		d) Close family members of the above.
		e) Shareholders controlling >20% of the voting rights of the entity.
		f) Post-employment benefit plans for the benefit of employees.
			• Name of parent (and ultimate controlling party) irrespective of whether transactions have occurred.
			• Compensation to key management personnel broken down by:
			  ◦ Short-term benefits.
			  ◦ Post-employment benefits.
			  ◦ Other long-term benefits.
			  ◦ Termination benefits.
			  ◦ Share-based payments.
			• When transactions have occurred:
			  ◦ Nature of relationship (names do not need to be disclosed).
			  ◦ Amount.
			  ◦ Outstanding balance.
			  ◦ Doubtful debt allowances.
			  ◦ Bad and doubtful debt expense.
			• Similar items may be disclosed in aggregate except where separate disclosure is necessary for the undertaking.

****IAS 25-26 are not commonly used, so IAS 27 will be presented in the next slide.**

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IAS 27- Separate Financial Statements

Objective	Scope	Recognition	Disclosure Requirements
IAS 27 outlines the accounting and disclosure requirements for 'separate financial statements', which are financial statements prepared by a parent, or an investor in a joint venture or associate, where those investments are accounted for either at cost or in accordance with IFRS 9- Financial Instruments.	This Standard shall be applied in accounting for investments in subsidiaries, joint ventures and associates when an entity elects or is required by local regulations to present separate financial statements.	In separate financial statements, investments in subsidiaries, associates and joint ventures are accounted for either at: • cost or • as investments in accordance with IFRS 9 or • using the equity method as described in IAS 28. The entity shall apply the same accounting for each category of investments. Investments accounted for at cost or using the equity method shall be accounted for in accordance with IFRS 5- Non- current Assets Held for Sale and Discontinued Operations when they are classified as held for sale or for distribution.	• When a parent elects not to prepare consolidated financial statements and instead prepares separate financial statements, it shall be disclosed. • When an investment entity that is a parent prepares separate financial statements as its only financial statements, it shall disclose that fact.

IAS 28- Investments in Associates and Joint Ventures

Objective	Scope	Significant Influence	Accounting Method
IAS 28 outlines how to apply, with certain limited exceptions, the equity method to investments in associates and joint ventures. The standard also defines an associate by reference to the concept of "significant influence", which requires power to participate in financial and operating policy decisions of an investee (but not joint control or control of those policies).	IAS 28 applies to all entities that are investors with joint control of or significant influence over an investee (associate or joint venture).	Where an entity holds 20% or more of the voting power (directly or through subsidiaries) on an investee, it will be presumed the investor has significant influence unless it can be clearly demonstrated that this is not the case. The existence of significant influence by an entity is usually evidenced in one or more of the following ways: • Representation on the board of directors or equivalent governing body of the investee. • Participation in the policy-making process, including participation in decisions about dividends or other distributions. • Verify material transactions between the entity and the investee. • Interchange of managerial personnel. • Provision of essential technical information	The equity method is used to account for investments in associates and joint ventures. **Equity Method:** The investment is recorded initially at cost and is subsequently adjusted by the investor's share of changes in the investee's net assets. However, if the investor is a venture capital firm, mutual fund, unit trust or a similar entity, it can elect to measure such investments at fair value through profit or loss in accordance with IFRS 9. When the investor is presenting its separate financial statements, it accounts for an investment in an associate or a joint venture in accordance with IAS 27.

****IAS 29-31 are not commonly used, so IAS 32 will be presented in the next slide.**

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IAS 32- Financial Instruments: Presentation

Objective	Scope	Classification	Compound Financial Instrument	Disclosure Requirements
IAS 32 outlines the accounting requirements for the presentation of financial instruments, particularly as to the classification of such instruments into financial assets, financial liabilities and equity instruments. The standard also provide guidance on the classification of related interest, dividends and gains/losses, and when financial assets and financial liabilities can be offset.	IAS 32 applies in presenting and disclosing information about all types of financial instruments.	The fundamental principle of IAS 32 is that a financial instrument should be classified as either a financial liability or an equity instrument according to the substance of the contract, not its legal form, and the definitions of financial liability and equity instrument. The entity must make the decision at the time the instrument is initially recognized. The classification is not subsequently changed based on changed circumstances.	Some financial instruments – sometimes called compound instruments – have both a liability and an equity component from the issuer's perspective. In that case, IAS 32 requires that the component parts be accounted for and presented separately according to their substance based on the definitions of liability and equity. When the initial carrying amount of a compound financial instrument is required to be allocated to its equity and liability components, the equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.	Financial instruments disclosures are in IFRS 7- Financial Instruments: Disclosures, and no longer in IAS 32.

IAS 33- Earnings per Share

Objective	Scope	Basic and Diluted EPS	Retrospective Adjustment	Disclosure Requirements
IAS 33 sets out how to calculate both basic earnings per share (EPS) and diluted EPS. The calculation of Basic EPS is based on the weighted average number of ordinary shares outstanding during the period, whereas diluted EPS also includes dilutive potential ordinary shares (such as options and convertible instruments) if they meet certain criteria.	IAS 33 applies to entities whose securities are publicly traded or that are in the process of issuing securities to the public. Other entities that choose to present EPS information must also comply with IAS 33. If both parent and consolidated statements are presented in a single report, EPS is required only for the consolidated statements.	Basic EPS is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.	The calculation of basic and diluted EPS for all periods presented is adjusted retrospectively when the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue, or share split, or decreases as a result of a reverse share split. If such changes occur after the balance sheet date but before the financial statements are authorized for issue, the EPS calculations for those and any prior period financial statements presented are based on the new number of shares. Disclosure is required.	Following disclosures are required: • the amounts used as the numerators in calculating basic and diluted EPS, and a reconciliation of those amounts to profit or loss attributable to the parent entity for the period. • the weighted average number of ordinary shares used as the denominator in calculating basic and diluted EPS, • a description of those ordinary share transactions or potential ordinary share transactions that occur after the balance sheet date and that would have changed significantly the number of ordinary shares or potential ordinary shares outstanding at the end of the period if those transactions had occurred before the end of the reporting period.

IAS 34- Interim Financial Reporting

Objective	Scope	Minimum content of an interim financial report	Accounting Policies

IAS 34 applies when an entity prepares an interim financial report, without mandating when an entity should prepare such a report.
 	
Permitting less information to be reported than in annual financial statements (on the basis of providing an update to those financial statements), the standard outlines the recognition, measurement and disclosure requirements for interim reports.
	An interim financial report is a complete or condensed set of financial statements for a period shorter than an entity's full financial year.
	
	IAS 34 applies only when an entity is required by a regulator or elects to publish an interim financial report in accordance with IFRS Standards.
		The minimum components specified for an interim financial report are:
		• A condensed balance sheet (statement of financial position).
		• Either:
		    • a condensed statement of comprehensive income; or
		    • a condensed statement of comprehensive income and a condensed income statement.
		• A condensed statement of changes in equity.
		• A condensed statement of cash flows,
		• Selected explanatory notes,
		If a complete set of financial statements is published in the interim report, those financial statements should be in full compliance with IFRS.
		
		If the annual financial statements were consolidated (group) statements, the interim statements should be group statements as well.
			The same accounting policies should be applied for interim reporting as are applied in the entity's annual financial statements, except for accounting policy changes made after the date of the most recent annual financial statements that are to be reflected in the next annual financial statements.
			
			A key provision of IAS 34 is that an entity should use the same accounting policy throughout a single financial year.
			
			If a decision is made to change a policy mid-year, the change is implemented retrospectively, and previously reported interim data is restated.

****IAS 35 is not commonly used, so IAS 36 will be presented in the next slide.**

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IAS 36- Impairment of Assets

Objective	Scope	Indications of impairment	Recognition	Disclosure Requirements
IAS 36- Impairment of Assets sets out requirements to ensure that assets are carried at no more than their recoverable amount and to prescribe how recoverable amount and an impairment loss or its reversal are calculated.	IAS 36 applies to assets that are not in the scope of other Standards. Assets that have separate requirements are inventories (IAS 2), contract assets and costs to fulfil a contract (IFRS 15), deferred tax assets (IAS 12), assets from employee benefits (IAS 19), financial assets (IFRS 9), investment property measured at fair value (IAS 40), biological assets measured at fair value less costs to sell (IAS 41), contracts in the scope of IFRS 17 and non-current assets classified as held for sale (IFRS 5).	**External sources:** • Market value declines. • Negative changes in technology, markets, economy, or laws. • Increases in market interest rates. • Net assets of the company higher than market capitalization. **Internal sources:** • Obsolescence or physical damage. • Asset is idle, part of a restructuring or held for disposal. • Worse economic performance than expected for investments in subsidiaries, joint ventures or associates, the carrying amount is higher than the carrying amount of the investee's assets, or a dividend exceeds the total comprehensive income of the investee.	An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. An impairment loss is recognized in profit or loss for assets carried at cost and treated as a revaluation decrease for assets carried at the revalued amount. Reversal of prior years' impairment losses is required in some cases but is prohibited for goodwill.	Disclosures by class of assets: • Impairment losses recognized in profit or loss • Impairment losses reversed in profit or loss. • Relevant line item(s) of the statement of comprehensive income. • Impairment losses on revalued assets recognized in other comprehensive income. • Impairment losses on revalued assets reversed in other comprehensive income. Disclosure by reportable segment: • Impairment losses recognized. • Impairment losses reversed.

IAS 37- Provisions, Contingent Liabilities and Contingent Assets

Objective	Scope	Recognition	Disclosure Requirements

IAS 37 outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable).
 	
Provisions are measured at the best estimate (including risks and uncertainties) of the expenditure required to settle the present obligation and reflects the present value of expenditures required to settle the obligation where the time value of money is material.
	IAS 37 excludes obligations and contingencies arising from:
	• Financial instruments that are in the scope of IFRS 9- Financial Instruments.
	• non-onerous executory contracts.
	• insurance contracts (See IFRS 17- Insurance Contracts).
	• items covered by another IFRS. For example, IAS 12- Income Taxes applies to obligations for current or deferred income taxes; IFRS 16- Leases applies to lease obligations; and IAS 19- Employee Benefits applies to pension and other employee benefit obligations.
		A provision should be recognized when:
		– an entity has a present obligation (legal or constructive) as a result of a past event;
		– it is probable that there will be an outflow of resources in the form of cash or other assets; and
		– a reliable estimate can be made of the amount.
		
		A provision should not be recognized in respect of future operating losses since there is no present obligation arising from a past event.
		
		Contingent assets and contingent liabilities should not be recognized but should be disclosed.
			• Reconciliation for each class of provision:
			  • Opening balance, additions, unused amounts, reversed unwinding of the discount, or changes in discount rate, closing balance.
			
			• A prior year reconciliation is not required.
			
			• For each class of provision, a brief description of:
			  • Nature, timing, uncertainties, assumptions, reimbursement, if any.
			
			• Contingent assets and contingent liabilities

IAS 38- Intangible Assets

Objective	Scope	Recognition	Subsequent Measurement	Disclosure Requirements
IAS 38 prescribes the accounting treatment for recognizing, measuring and disclosing intangible assets that are not dealt with in another IFRS Standard.	IAS 38 applies to all intangible assets other than: • financial assets (IAS 32). • exploration and evaluation assets (IFRS 6). • intangible assets arising from insurance contracts. • intangible assets covered by another IFRS (IFRS 5, IAS 12, IFRS16, IAS 19 and IFRS 3).	Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. There are specific recognition criteria for internally generated intangible assets. All research costs are charged to expense when incurred. Development costs are capitalized only after technical and commercial feasibility of the resulting product or service have been established. Internally-generated goodwill, brands, mastheads, publishing titles, customer lists, start-up costs, training costs, advertising costs and relocation costs are never recognized as assets.	Intangible assets are classified as having either a finite or indefinite life. Indefinite means that there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows, not infinite. Intangible assets may be accounted for using: • A cost model or, in limited cases. • A revaluation model.	For each class of intangible asset, disclosures include: • Useful life or amortization rate. • Amortization method. • Gross carrying amount. • Accumulated amortization and impairment losses. • Line items in the income statement in which amortization is included. • Basis for determining that an intangible has an indefinite life • Description and carrying amount of individually material intangible assets.

****IAS 39 are not commonly used, so IAS 40 will be presented in the next slide.**

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IAS 40- Investment Property

Objective	Scope	Recognition & measurement	Subsequent Measurement	Disclosure Requirements
IAS 40 prescribes the accounting when property is held to earn rentals or for capital appreciation rather than being occupied by the owner for the production or supply of goods or services or for administrative purposes	This Standard shall be applied in the recognition, measurement and disclosure of investment property.	Investment property should be recognized as an asset when it is probable that the future economic benefits that are associated with the property will flow to the entity, and the cost of the property can be reliably measured. An investment property is measured initially at cost. Transaction costs are included in the initial measurement	An entity chooses after initial recognition, either: • the fair value model or • the cost model. The chosen measurement model is applied to all of the entity's investment property. Change from one model to the other is permitted if it will result in a more appropriate presentation (which is highly unlikely for change from fair value to cost model).	• Whether the fair value or the cost model is used. • If the fair value model is used, whether property interests held under operating leases are classified and accounted for as investment property. • If classification is difficult, the criteria to distinguish investment property from owner-occupied property and from property held for sale. • The extent to which the fair value of investment property is based on a valuation by a qualified independent valuer; if there has been no such valuation, that fact must be disclosed. • The amounts recognized in profit or loss. • Contractual obligations to purchase, construct, or develop investment property or for repairs, maintenance or enhancements.

References:

- International Financial Reporting Standards (IFRS) issued by IASB as adopted by FRC of Bangladesh and The Institute of Chartered Accountants of Bangladesh (ICAB).
- IAS Plus by Deloitte. Accessed from: https://www.iasplus.com/en/standards/ifrs
- IFRS in your pocket (2021) by Deloitte.