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ANNEX II

Amendments to IFRS 19
Subsidiaries without Public Accountability: Disclosures

Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Disclosure requirements

...

IFRS 7 *Financial Instruments: Disclosures*

Paragraph 56A is amended and paragraph 56C is deleted. Paragraph 56B is not amended but is included for ease of reference.

Items of income, expense, gains or losses

...

56A An entity shall disclose the information required by paragraph 56B by class of financial assets measured at amortised cost or fair value through other comprehensive income and by class of financial liabilities measured at amortised cost.

56B To enable users of financial statements to understand the effect of contractual terms that could change the amount of contractual cash flows based on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in basic lending risks and costs (such as the time value of money or credit risk), an entity shall disclose:

(a) a qualitative description of the nature of the contingent event;

(b) quantitative information about the possible changes to contractual cash flows that could result from those contractual terms (for example, the range of possible changes); and

(c) the gross carrying amount of financial assets and the amortised cost of financial liabilities subject to those contractual terms.

56C [Deleted]

...

IFRS 18 *Presentation and Disclosure in Financial Statements*

Paragraphs 137 and 163 are amended and paragraphs 142–159 and their headings are deleted.

Statement of financial position

Right to defer settlement for at least 12 months

137 In applying paragraphs 101–102 and B96–B103 of IFRS 18 an entity might classify liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within 12 months after the reporting period (see paragraph B100(b) of IFRS 18). In such situations, the entity shall disclose:

(a) information about the covenants (including the nature of the covenants and when the entity is required to comply with them) and the carrying amount of related liabilities.

(b) facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants—for example, the entity having acted during or after the reporting period to avoid or mitigate a potential breach. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants if they were to be assessed for compliance based on the entity's circumstances at the end of the reporting period.

...

142–159 [Deleted]

...

Disclosure requirements in IFRS 18 that remain applicable

163 An entity shall apply the disclosure requirements in paragraphs 19, 20, 28, 41, 42, 43, 82, 90, 92, B8, B11, B14, B26(b) and B28 of IFRS 18. If an entity uses management-defined performance measures as identified in paragraphs 117–120 of IFRS 18, it shall also provide the disclosures required by paragraphs 121–125, B132 and B134–B142 of IFRS 18.

...

IAS 7 *Statement of Cash Flows*

Paragraph 167 is deleted and paragraph 168 is amended.

Supplier finance arrangements

167 [Deleted]

168 An entity shall disclose in aggregate for its supplier finance arrangements:

(a) the terms and conditions of the arrangements (for example, extended payment terms and security or guarantees provided). However, an entity shall disclose separately the terms and conditions of arrangements that have dissimilar terms and conditions.

(b) as at the beginning and end of the reporting period:

   (i) the carrying amounts, and associated line items presented in the entity's statement of financial position, of the financial liabilities that are part of a supplier finance arrangement.

   (ii) the carrying amounts, and associated line items, of the financial liabilities disclosed under (i) for which suppliers have already received payment from the finance providers.

   (iii) [deleted]

(c) the type and effect of non-cash changes in the carrying amounts of the financial liabilities disclosed under (b)(i). Examples of non-cash changes include the effect of business combinations, exchange differences or other transactions that do not require the use of cash or cash equivalents (see paragraph 165).

...

IAS 12 *Income Taxes*

Paragraph 198 is deleted and paragraph 199 is amended. Paragraphs 196 and 197 are not amended but are included for ease of reference.

International tax reform—Pillar Two model rules

196 An entity shall disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes (see paragraph 4A of IAS 12).

197 An entity shall disclose separately its current tax expense (income) related to Pillar Two income taxes.

198 [Deleted]

199 In periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, an entity shall disclose known or reasonably estimable qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. This information does not have to reflect all the specific requirements of the Pillar Two legislation and can be provided in the form of an indicative range. To the extent information is not known or reasonably estimable, an entity shall instead disclose a statement to that effect and disclose information about the entity's progress in assessing its exposure.

...

IAS 21 *The Effects of Changes in Foreign Exchange Rates*

Paragraph 222 is deleted and paragraphs 221 and 223 are amended. Paragraph 224 is not amended but is included for ease of reference.

Disclosure when a currency is not exchangeable

221 When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency (see paragraph 19A of IAS 21), the entity shall disclose the information required by paragraphs 223–224.

222 [Deleted]

223 An entity shall disclose:

(a) the currency and a description of the restrictions that result in that currency not being exchangeable into the other currency;

(b) a description of affected transactions;

(c) the carrying amount of affected assets and liabilities;

(d) the spot exchange rates used and whether those rates are:

(i) observable exchange rates without adjustment (see paragraphs A12–A16 of IAS 21); or

(ii) spot exchange rates estimated using another estimation technique (see paragraph A17 of IAS 21);

(e) a description of any estimation technique the entity has used, and qualitative and quantitative information about the inputs and assumptions used in that estimation technique; and

(f) qualitative information about each type of risk to which the entity is exposed because the currency is not exchangeable into the other currency, and the nature and carrying amount of assets and liabilities exposed to each type of risk.

224 When a foreign operation's functional currency is not exchangeable into the presentation currency or, if applicable, the presentation currency is not exchangeable into a foreign operation's functional currency, an entity shall also disclose:

(a) the name of the foreign operation; whether the foreign operation is a subsidiary, joint operation, joint venture, associate or branch; and its principal place of business;

(b) summarised financial information about the foreign operation; and

(c) the nature and terms of any contractual arrangements that could require the entity to provide financial support to the foreign operation, including events or circumstances that could expose the entity to a loss.

IAS 34 Interim Financial Reporting

Paragraph 246 is amended.

Content of an interim financial report

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Other disclosures

246 An entity shall disclose the information specified in (a)–(m) of this paragraph either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement (such as management commentary or risk report) that is available to users of the financial statements on the same terms as the interim financial statements and at the same time. If users of the financial statements do not have access to the information incorporated by cross-reference on the same terms and at the same time, the interim financial report is incomplete. The further information shall normally be reported on a financial year-to-date basis, and consists of:

…

(m) the disclosures about management-defined performance measures required by paragraphs 121–125 of IFRS 18, if the entity uses management-defined performance measures as identified in paragraphs 117–120 of IFRS 18.

Amendments to Appendix A—Effective date and transition

This Appendix is an integral part of the Standard.

Paragraph A3 is amended. Paragraph A2 is not amended but is included for ease of reference.

IFRS 18 *Presentation and Disclosure in Financial Statements*

A2 IFRS 18 *Presentation and Disclosure in Financial Statements*, issued in April 2024, supersedes IAS 1 *Presentation of Financial Statements*. IFRS 18 applies to annual reporting periods beginning 1 January 2027 and earlier application is permitted.

A3 An entity that elects to apply this Standard for a reporting period earlier than the reporting period in which it first applies IFRS 18 shall apply paragraphs B2–B19 of Appendix B instead of paragraphs 128–141 and 160–163 (under subheading IFRS 18 *Presentation and Disclosure in Financial Statements*), 173–177 and 182–183 (under subheading IAS 8 *Basis of Preparation of Financial Statements*) and 246(m) (under subheading IAS 34 *Interim Financial Reporting*). If such an entity also applies IAS 33 *Earnings per Share*, it shall apply paragraphs 73 and 73A of IAS 33 instead of paragraphs 73B and 73C of IAS 33 (as amended by IFRS 18).

Amendments to Appendix B—Disclosure requirements if an entity applies IFRS 19 before applying IFRS 18

This Appendix is an integral part of the Standard.

Paragraph B8 is amended.

Right to defer settlement of liabilities for at least 12 months

B8 In applying paragraphs 69–75 of IAS 1, an entity might classify liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within 12 months after the reporting period (see paragraph 72B(b) of IAS 1). In such situations, the entity shall disclose:

(a) information about the covenants (including the nature of the covenants and when the entity is required to comply with them) and the carrying amount of related liabilities.

(b) facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants—for example, the entity having acted during or after the reporting period to avoid or mitigate a potential breach. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants if they were to be assessed for compliance based on the entity's circumstances at the end of the reporting period.

Amendments to Appendix C—Amendments to other IFRS Accounting Standards

This Appendix sets out amendments to other IFRS Accounting Standards. An entity shall apply the amendments when it applies IFRS 19.

The rubric and amendments to paragraphs 26A and 38 of IFRS 5 are amended to conform with amendments made by IFRS 18.

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

Paragraphs 5B, 12, 26A and 38 of IFRS 5 are amended.

Changes to a plan of sale or to a plan of distribution to owners

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26A If an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution to owners, or directly from being held for distribution to owners to being held for sale, then the change in classification is considered a continuation of the original plan of disposal. The entity:

(a) shall not follow the guidance in paragraphs 27–29 to account for this change. The entity shall apply the classification, presentation, measurement and disclosure requirements in this IFRS that are applicable to the new method of disposal. An entity applying IFRS 19 *Subsidiaries without Public Accountability: Disclosures* shall apply the disclosure requirements in IFRS 19 instead of the disclosure requirements in this IFRS.

...

Presentation and disclosure

...

Non-current asset or disposal group classified as held for sale

38 An entity shall present a non-current asset classified as held for sale and the assets of a disposal group classified as held for sale separately from other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount. The major classes of assets and liabilities classified as held for sale shall either be presented separately in the statement of financial position or disclosed in the notes, except as permitted by paragraph 39 and except when an entity applies IFRS 19 *Subsidiaries without Public Accountability: Disclosures*. An entity shall present separately any cumulative income or expense recognised in other comprehensive income relating to a non-current asset (or disposal group) classified as held for sale.

The rubric and amendments to paragraph C3(a) of IFRS 17 are amended to align with amendments made by IFRS 18.

IFRS 17 *Insurance Contracts*

Paragraph C3(a) of IFRS 17 is amended and a footnote is added.

C3 Unless it is impracticable to do so, or paragraph C5A applies, an entity shall apply IFRS 17 retrospectively, except that:

(a) an entity is not required to present the quantitative information required by paragraph 28(f) of IAS 8 *Basis of Preparation of Financial Statements* or, for entities applying IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, by paragraph 178(f) of IFRS 19;* and

* When it issued IFRS 18 *Presentation and Disclosure in Financial Statements* in April 2024, the IASB changed the title of IAS 8 to *Basis of Preparation of Financial Statements*.