

Editorial corrections

Date posted: September 2016

Compilations of editorial corrections are published three times a year: before *IFRS*[®] (Blue Book), *IFRS*[®] (Red Book) and *A Guide through IFRS*[®] Standards (Green Book) are issued.

These corrections only affect mandatory and core non-mandatory text (ie Basis for Conclusions, Illustrative Examples and Implementation Guidance). Corrections to other sections, including Introductions, will not be publicly logged. The Editorial department keeps a track of all the changes made so if a specific change that is not publicly logged is requested, please contact the department.

Urgent technical errors corrections are published *ad-hoc*.

If you find an error that you think we should include in the next issue of Editorial corrections, please contact editorial@ifrs.org.

The Editorial team

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Correction to consequential amendments

The following editorial correction is the inserting of a consequential amendment that should have been included in the stand-alone Standard at the time of publication. Consequently, this correction may need to be made to *IFRS*[®] (Blue Book; 'BV (BB)'), *IFRS*[®] (Red Book; 'BV (RB)') and *A Guide through IFRS*[®] *Standards* (Green Book; 'BV (GB)'). Deleted text is struck through and new text is underlined.

- **IFRS 16 Leases (issued January 2016)**

IFRS 16 Leases		
IFRS 16 <i>Leases</i> amended IFRS 4 <i>Insurance Contracts</i> Implementation Guidance, IG Example 1		
IG Example 1: Application of the definition of an insurance contract		
...		
1.15	Residual value insurance or residual value guarantee. Guarantee by one party of the fair value at a future date of a non-financial asset held by a beneficiary of the insurance or guarantee.	Insurance contract within the scope of the IFRS (unless changes in the condition of the asset have an insignificant effect). The risk of changes in the fair value of the non-financial asset is not a financial risk because the fair value reflects not only changes in market prices for such assets (a financial variable) but also the condition of the specific asset held (a non-financial variable). However, if the contract compensates the beneficiary only for changes in market prices and not for changes in the condition of the beneficiary's asset, the contract is a derivative and within the scope of IAS 39. Residual value guarantees given by a lessee under a finance lease are within the scope of IAS 17 <u>IFRS 16 Leases</u> .
...		

Corrections to stand-alone Standards

The following editorial corrections have been made to the individual publications listed below. Subsequently, these corrections may need to be made to *IFRS*[®] (Blue Book; 'BV (BB)'), *IFRS*[®] (Red Book; 'BV (RB)') and *A Guide through IFRS*[®] *Standards* (Green Book; 'BV (GB)').

The 'original document and reference' column signifies the instance that the error first occurred. (For example, a consequential amendment in an individual Standard may be correct but during typesetting, the transition to a BV has been inserted incorrectly, therefore the BV is the original document and reference.)

- ***Recognition of Deferred Tax Assets for Unrealised Losses Amendments to IAS 12* (issued January 2016)**
- ***Classification and Measurement of Share-Based Payment Transactions (Amendments to IFRS 2)* (issued June 2016)**

Original document and reference	Other publications affected	Deleted	Substituted/inserted
<i>Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)</i>			
Page 15 of the stand-alone Standard booklet Paragraph BC61	N/A	<i>[delete the word from the first sentence of this paragraph]</i> ... proposed ...	N/A

Continued...

Original document and reference	Other publications affected	Deleted	Substituted/inserted
Classification and Measurement of Share-Based Payment Transactions (Amendments to IFRS 2)			
Page 6 of the stand-alone Standard booklet Paragraph 34	N/A	N/A	<p data-bbox="1352 282 2011 363"><i>[Insert heading for paragraph 34, which is in the original Standard and should have been included here]</i></p> <p data-bbox="1352 363 2011 428">33H The exception in paragraph 33F does not apply to:</p> <ul style="list-style-type: none"> <li data-bbox="1352 428 2011 639">(a) a share-based payment arrangement with a net settlement feature for which there is no obligation on the entity under tax laws or regulations to withhold an amount for an employee's tax obligation associated with that share-based payment; or <li data-bbox="1352 639 2011 964">(b) any equity instruments that the entity withholds in excess of the employee's tax obligation associated with the share-based payment (ie the entity withheld an amount of shares that exceeds the monetary value of the employee's tax obligation). Such excess shares withheld shall be accounted for as a cash-settled share-based payment when this amount is paid in cash (or other assets) to the employee. <p data-bbox="1352 964 2011 1045">Share-based payment transactions with cash alternatives</p> <p data-bbox="1352 1045 2011 1490">34 For share-based payment transactions in which the terms of the arrangement provide either the entity or the counterparty with the choice of whether the entity settles the transaction in cash (or other assets) or by issuing equity instruments, the entity shall account for that transaction, or the components of that transaction, as a cash-settled share-based payment transaction if, and to the extent that, the entity has incurred a liability to settle in cash or other assets, or as an equity-settled share-based payment transaction if, and to the extent that, no such liability has been incurred.</p>

Original document and reference	Other publications affected	Deleted	Substituted/inserted
Page 19 of the stand-alone Standard booklet Paragraph IG19	N/A	N/A	[The comma at the beginning of the deleted text was missing and should have been marked for deletion] ... The liability is measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, and the extent to which the employees have rendered service to date in accordance with paragraphs 30–33D of IFRS 2. Changes in fair value are recognised in profit or loss. ...
Page 20–21 of the stand-alone Standard booklet Illustrative Guidance Example 12A	N/A	[Delete dashes] See Example table 1, example 1	[Insert a double-cell underline for the final total of 1,025,000] See Example table 1, Example 2
Page 21 of the stand-alone Standard booklet Paragraph IG19A–heading only	N/A	[Delete the existing heading] <u>Share-based payment transactions with a net settlement feature for withholding tax obligations</u> IG19A Paragraphs 33E and 33F require an entity to classify an arrangement in its entirety as an equity-settled share-based payment transaction if it would have been so classified in the absence of a net settlement feature that obliges the entity to withhold an amount for an employee’s tax obligation associated with a share-based payment. The entity transfers that amount, normally in cash, to the tax authority on the employee’s behalf. Example 12B illustrates these requirements.	[Substitute the existing heading with a section heading] <u>Share-based payment transactions with a net settlement feature for withholding tax obligations</u> IG19A Paragraphs 33E and 33F require an entity to classify an arrangement in its entirety as an equity-settled share-based payment transaction if it would have been so classified in the absence of a net settlement feature that obliges the entity to withhold an amount for an employee’s tax obligation associated with a share-based payment. The entity transfers that amount, normally in cash, to the tax authority on the employee’s behalf. Example 12B illustrates these requirements.

Original document and reference	Other publications affected	Deleted	Substituted/inserted
<p>Page 22 of the stand-alone Standard booklet</p> <p>Illustrative Guidance Example 12B</p>	<p>N/A</p>		<p><i>[Insert a missing comma in the first reference to CU1000 in the first sentence of the paragraph below],</i></p> <p><i>[Insert cell-underlining underneath the Dr. Expense CU column and Cr. Equity CU column for Year 4 and for the total figures in the aforementioned columns]</i></p> <p>See Example table 2</p>
<p>Page 24 of the stand-alone Standard booklet</p> <p>Illustrative Guidance Example 12C</p>	<p>N/A</p>		<p><i>[Insert hyphen in the first reference to modification date in the calculation column for Year 2]</i></p> <p><i>[Insert cell underlining underneath the references to 33,000 and 132,000 in the Cr. Equity CU column for Year 4]</i></p> <p>See Example table 3</p>

Corrections to IFRS® (Blue Book), IFRS® (Red Book) and A Guide through IFRS® Standards (Green Book)

The following editorial corrections have been made to *IFRS®* (Blue Book; 'BV (BB)'), *IFRS®* (Red Book; 'BV (RB)') and *A Guide through IFRS® Standards* (Green Book; 'BV (GB)') as a consequence of errors that were made when compiling those volumes. The original individual publications do not contain these errors and so are unaffected by these corrections.

- **IFRS 1 *First-time Adoption of International Financial Reporting Standards***
- **IAS 7 *Statement of Cash Flows***

Original document and reference	Other publications affected	Deleted	Substituted/inserted
IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>			
BV (GB) page B101 Heading to paragraph IG63	BV (BB) page B97 BV (RB) page B97	[Delete existing sub-heading] Explanation of transition to IFRSs IG63 Paragraphs 24(a) and (b), 25 and 26 of the IFRS require a first-time adopter to disclose reconciliations that give sufficient detail to enable users to understand the material adjustments to the statement of financial position, statement of comprehensive income and, if applicable, statement of cash flows. ...	[Insert section heading] Explanation of transition to IFRSs IG63 Paragraphs 24(a) and (b), 25 and 26 of the IFRS require a first-time adopter to disclose reconciliations that give sufficient detail to enable users to understand the material adjustments to the statement of financial position, statement of comprehensive income and, if applicable, statement of cash flows. ...
BV (GB) page A79	BV (BB) page A77 BV (RB) page A75	D7 The elections in paragraphs D5 and D6 are also available for: (a) investment property, if an entity elects to use the cost model in IAS 40 <i>Investment Property</i> ; and (b) intangible assets that meet: (i) the recognition criteria in IAS 38 (including reliable measurement of original cost); and (ii) the criteria in IAS	[Remove the indent before the final sentence in this paragraph so that it is placed directly under the (b) of D7(b).] D7 The elections in paragraphs D5 and D6 are also available for: (a) investment property, if an entity elects to use the cost model in IAS 40 <i>Investment Property</i> ; and (b) intangible assets that meet: (i) the recognition criteria in IAS 38 (including reliable measurement

Original document and reference	Other publications affected	Deleted	Substituted/inserted										
		<p>38 for revaluation (including the existence of an active market).</p> <p>An entity shall not use these elections for other assets or for liabilities.</p>	<p>(ii) of original cost); and the criteria in IAS 38 for revaluation (including the existence of an active market).</p> <p>An entity shall not use these elections for other assets or for liabilities.</p>										
BV (GB) page A70	BV (RB) page A66	<p>[Delete the final word from the heading before paragraph B8]</p> <p>... assets</p>	<p>[Substitute]</p> <p>... instruments</p>										
IAS 7 Statement of Cash Flows													
BV (GB) page B1831	BV (BB) page B1086 BV (RB) page B1933	N/A	<p>[Insert a line immediately below (200) in IE example B2 next to the reference to negotiable certificates of deposit]</p> <p>B Statement of cash flows for a financial institution</p> <p>...</p> <p>2 The example is presented using the direct method.</p> <p>...</p> <p><i>Increase (decrease) in operating liabilities:</i></p> <table border="0"> <tr> <td>Deposits from customers</td> <td style="text-align: right;">600</td> </tr> <tr> <td>Negotiable certificates of deposit</td> <td style="text-align: right;"><u>(200)</u></td> </tr> <tr> <td>Net cash from operating activities before income tax</td> <td style="text-align: right;">3,440</td> </tr> <tr> <td>Income taxes paid</td> <td style="text-align: right;"><u>(100)</u></td> </tr> <tr> <td><i>Net cash from operating activities</i></td> <td style="text-align: right;">3,340</td> </tr> </table>	Deposits from customers	600	Negotiable certificates of deposit	<u>(200)</u>	Net cash from operating activities before income tax	3,440	Income taxes paid	<u>(100)</u>	<i>Net cash from operating activities</i>	3,340
Deposits from customers	600												
Negotiable certificates of deposit	<u>(200)</u>												
Net cash from operating activities before income tax	3,440												
Income taxes paid	<u>(100)</u>												
<i>Net cash from operating activities</i>	3,340												

Example tables

Table 1 (IG Example 12A)

Pages 21–22 in stand-alone Standard

Example 1—the highlighted dashes to be deleted

Example 2—insert a double-cell underline for the final total of 1,025,000

IG Example 12A			
...			
Year	Calculation	Expense	Liability
		CU	CU
1	SARs are not expected to vest: no expense is recognised	=	=
2	SARs are expected to vest: 500 employees × 100 SARs × CU15.50 × 2/3	516,667	516,667
3	(500–150) employees × 100 SARs × CU18.20 × 3/3– CU516,667	120,333	637,000
	+ 150 employees × 100 SARs × CU15.00	225,000	
	Total	345,333	
4	(350–150) employees × 100 SARs × CU21.40– CU637,000	(209,000)	428,000
	+ 150 employees × 100 SARs × CU20.00	300,000	
	Total	91,000	
5	(200–200) employees × 100 SARs × CU25.00– CU428,000	(428,000)	=
	+ 200 employees × 100 SARs × CU25.00	500,000	
	Total	72,000	
	Total	1,025,000	

IG Example 12A			
...			
Year	Calculation	Expense	Liability
		CU	CU
1	SARs are not expected to vest: no expense is recognised	=	=
2	SARs are expected to vest: 500 employees × 100 SARs × CU15.50 × 2/3	516,667	516,667
3	(500–150) employees × 100 SARs × CU18.20 × 3/3– CU516,667	120,333	637,000
	+ 150 employees × 100 SARs × CU15.00	225,000	
	Total	345,333	
4	(350–150) employees × 100 SARs × CU21.40– CU637,000	(209,000)	428,000
	+ 150 employees × 100 SARs × CU20.00	300,000	
	Total	91,000	
5	(200–200) employees × 100 SARs × CU25.00– CU428,000	(428,000)	=
	+ 200 employees × 100 SARs × CU25.00	500,000	
	Total	72,000	
	Total	1,025,000	

Example tables

Table 2 (IG Example 12B)

Page 22 in stand-alone Standard

1. Insert a missing comma in the first reference to CU1000 in the first sentence of the paragraph below],
2. Insert cell-underlining underneath the Dr. Expense CU column and Cr. Equity CU column for Year 4 and for the total figures in the aforementioned columns

IG Example 12B

...

The fair value of the shares on the vesting date is CU1,000 (100 shares × CU10 per share) and therefore the employee's tax obligation is CU400 (100 shares × CU10 × 40%).

...

Application of requirements

<u>Year</u>	<u>Calculation</u>	<u>Dr.</u> <u>Expense</u> <u>CU</u>	<u>Cr.</u> <u>Equity</u> <u>CU</u>	<u>Cr.</u> <u>Liability</u> <u>CU</u>
...				
3	<u>100 shares ×</u> <u>CU2 × 3/4 –</u> <u>(CU50 + CU50)</u>	<u>50</u>	<u>(50)</u>	=
4	<u>100 shares ×</u> <u>CU2 × 4/4 –</u> <u>(CU50 + CU50 +</u> <u>CU50)</u>	<u>50</u>	<u>(50)</u>	=
	<u>Total</u>	<u>200</u>	<u>(200)</u>	=

Example tables

Table 3 (IG 12C)

Page 24 in stand-alone Standard

1. Insert hyphen in the first reference to modification date in the calculation column for Year 2
2. [Insert cell underlining underneath the references to 33,000 and 132,000 in the Cr. Equity CU column for Year]

IG Example 12C					
...					
		<u>Dr.</u> <u>Expense</u>	<u>Cumulative</u> <u>expense</u>	<u>Cr.</u> <u>Equity</u>	<u>Cr.</u> <u>Liability</u>
<u>Year</u>	<u>Calculation</u>	<u>CU</u>	<u>CU</u>	<u>CU</u>	<u>CU</u>
...					<u>25,000</u>
<u>2</u>	<i>Remeasurement before the modification</i> 100 employees x 100 SARs x CU12.00 x 24–25,000	<u>35,000</u>	<u>60,000</u>	=	<u>35,000</u>
	<i>Derecognition of the liability, recognition of the modification-date fair value amount in equity and recognition of the effect of settlement for CU6,000 (100 employees x 100 share options x CU13.20 x 24)– (100 employees x 100 SARs x CU12.00 x 24)</i>	<u>6,000</u>	<u>66,000</u>	<u>66,000</u>	<u>(60,000)</u>
...					
<u>4</u>	<i>100 employees x 100 share options x CU13.20 x 44–</i> <i>CU99,000</i>	<u>33,000</u>	<u>132,000</u>	<u>33,000</u>	=
	<u>Total</u>			<u>132,000</u>	=