



Parker Russell

**IFRS Update: Standards and
Interpretations Effective as of
31 December 2024**

Summary of Amendments from the Annual IFRS

Improvements

The International Accounting Standards Board (IASB) regularly undertakes an annual improvements process to address non-urgent but necessary updates to IFRS. In July 2024, the IASB issued the Annual Improvements to IFRS Accounting Standards – Volume 11. Below is an outline of the key amendments introduced:

IFRS 1 – First-time Adoption of International Financial Reporting Standards

Hedge Accounting for First-time Adopters

- Paragraphs B5 and B6 of IFRS 1 have been updated to reference the hedge accounting qualification criteria outlined in paragraph 6.4.1(a), (b), and (c) of IFRS 9.
- These changes are intended to remove discrepancies between IFRS 1 and IFRS 9 concerning hedge accounting requirements.
- The changes apply to annual reporting periods beginning on or after 1 January 2026, with early adoption permitted.

IFRS 7 – Financial Instruments: Disclosures

Gain or Loss on Derecognition

- Amendments to paragraph B38 modify the language regarding unobservable inputs and include a cross-reference to paragraphs 72 and 73 of IFRS 13 (Fair Value Measurement).
- Applicable for annual reporting periods commencing on or after 1 January 2026, with early adoption allowed.

IFRS 9 – Financial Instruments

Lessee Derecognition of Lease Liabilities

- Paragraph 2.1 has been amended to clarify that when a lessee determines that a lease liability is extinguished under IFRS 9, they must apply paragraph 3.3.3 and recognise any gain or loss in profit or loss.
- The amendment does not specifically address the distinction between a lease modification under IFRS 16 and the extinguishment of a lease liability under IFRS 9.
- Effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted.

Transaction Price

- Paragraph 5.1.3 has been updated, replacing "transaction price as defined by IFRS 15" with "the amount determined by applying IFRS 15", to reduce potential confusion.
- The term "transaction price" has also been removed from Appendix A of IFRS 9.
- Applicable for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted.

IFRS 10 – Consolidated Financial Statements

Determining a 'De Facto Agent'

- Paragraph B74 has been revised to clarify that the relationships described here represent just one example of possible de facto agent relationships between an investor and other parties.
- This amendment resolves inconsistencies with paragraph B73, which highlights the need for judgement in determining whether another party acts as a de facto agent.
- Effective for annual reporting periods beginning on or after 1 January 2026, with early adoption permitted.

IAS 7 – Statement of Cash Flows

‘Cost Method’ Terminology Update

- Paragraph 37 has been updated, replacing the term "cost method" with "at cost" in line with the removal of the "cost method" definition.
- Effective for annual reporting periods beginning on or after 1 January 2026, with the option of early adoption.



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