In accordance with IAS 8.30-31 when a company/group has not applied new IFRS or amended standards that have been issued but are not yet effective, the company/group shall disclose this fact and the possible impact that application of the new IFRS will have on the financial statements of the company/group. New or amended standards that will have no material effect on the financial statements need not be provided.

NB: This summary of Standards, interpretations and amendments to be published has been created on 17.03.2023 and is based on the latest status update from EFRAG.

Before using it we recommend checking the latest EFRAG status update available here.

NB: The example wordings provided here are general and do not reflect the specific nature of any company/group. Any entity preparing financial statements in accordance with IFRS as adopted by the EU should analyse the particular features of their company/group and based on the results of the analysis create the appropriate wording.

Standards, interpretations and amendments to published standards that are not yet effective

The following new standards, interpretations and amendments were not yet effective for the annual reporting period ended 31 December 2022 and have not been applied in preparing these [consolidated] financial statements. The entity/group (NB: Use either capital or lowercase letter, depending on how used elsewhere in the annual report, but only where the text refers directly to the reporting entity) plans to adopt these pronouncements when they become effective.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements

(Effective for annual periods beginning on or after 1 January 2023. Early application is permitted)

The amendments to IAS 1 aim to help entities provide accounting policy disclosures that are more useful by:

• Requiring companies to disclose their material accounting policies rather than their significant accounting policies;

• Clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

• Clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures.

The amendments are consistent with the refined definition of material:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

Example wording regarding the possible impact on financial statements

The amendments may impact the accounting policy disclosures of the entity/group. Determining whether accounting policies are material or not requires use of judgement.

OR

The entity/group does not expect the amendments to have an impact on its financial statements when initially applied.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

(Effective for annual periods beginning on or after 1 January 2023; to be applied prospectively. Early application is permitted)

The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

Example wording regarding the possible impact on financial statements

The amendments are not expected to have a material impact on the entity/group as these amendments provide guidance in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

Amendments to IAS 12 Income Taxes

(Effective for annual periods beginning on or after 1 January 2023. Early application is permitted)

The amendments clarify the accounting for deferred tax on transactions that involve recognising both an asset and a liability with a single tax treatment related to both. The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

Example wording regarding the possible impact on financial statements

The entity/group expects that the amendments, when initially applied, will have a material impact on its financial statements as [describe the effect].

OR

The entity/group does not expect the amendments to have a material impact on its financial statements when initially applied.

Amendments to IAS 1 Presentation of Financial Statements

(Effective for annual periods beginning on or after 1 January 2024; to be applied retrospectively. Early application is permitted)

[This pronouncement is not yet endorsed by the EU.]

The amendments clarify that the classification of liabilities as current or non-current is based solely on the entity's right to defer settlement at the end of the reporting period. The company's right to defer settlement for at least 12 months from the reporting date need not be unconditional but must have substance. The classification is not affected by management's intentions or expectations about whether and when the entity will exercise its right. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. The amendments also clarify the situations that are considered settlement of a liability.

Example wording regarding the possible impact on financial statements

The entity/group expects that the amendments, when initially applied, could have a material impact on its financial statements because [Describe the effect. For example: the entity has a five-year rollover bank loan that is subject to covenant testing at 30 June each year. Under the existing Standard, this facility must be classified as current as the right to rollover the loan is not unconditional. Under the amendments the balance of the loan may be eligible to be reclassified to non-current depending on an assessment of the covenants at the reporting date.].

OR

The entity/group does not expect the amendments to have a material impact on its financial statements when initially applied.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

(Effective for annual periods beginning on or after 1 January 2024; to be applied retrospectively to the date when the entity initially applied IFRS 16. Early application is permitted)

[This pronouncement is not yet endorsed by the EU.]

Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments.

The amendments confirm the following.

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement.

Example wording regarding the possible impact on financial statements

The entity/group expects that the amendments, when initially applied, will have a material impact on its financial statements as [describe the effect].

OR

The entity/group does not expect the amendments to have a material impact on its financial statements when initially applied.

Other changes

If the entity chooses not to disclose a detailed description of all changes to not yet effective standards, interpretations and amendments to published standards, then the following example wording could be used:

Other new standards, amendments to standards and interpretations that are not yet effective are not expected to have a significant impact on the entity's/group's financial statements.

FOR INSURANCE COMPANIES:

IFRS 17 Insurance Contracts

(Effective for annual periods beginning on or after 1 January 2023; to be applied prospectively. Early application is permitted.)

IFRS 17 replaces IFRS 4, which was brought in as an interim Standard in 2004. IFRS 4 has given companies dispensation to carry on accounting for insurance contracts using national accounting standards, resulting in a multitude of different approaches. IFRS 17 solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner, benefiting both investors and insurance companies. Insurance obligations will be accounted for using current values instead of historical cost.

Example wording regarding the possible impact on financial statements

The entity / group expects that the new standard, when initially applied, will have a material impact on the [consolidated] financial statements because [describe the entity's accounting treatment.]

Amendments to IFRS 17 Insurance Contracts

(The amendment is applicable when an insurer initially applies IFRS 17)

Amendment adds a new transition option to IFRS 17 (the "classification overlay" to alleviate operational complexities and one-time accounting mismatches in comparative information between insurance contract liabilities and related financial assets on the initial application of IFRS 17. It allows presentation of comparative information about financial assets to be presented in a manner that is more consistent with IFRS 9 Financial Instruments.

Example wording regarding the possible impact on financial statements

The entity/group expects that the amendments, when chosen to be applied, will ease the initial application of IFRS 17 as [describe the effect]