KPMG

IFRS compared to Dutch GAAP: An overview

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Foreword

KPMG is very pleased to present this new edition of our comparison between IFRS and Dutch GAAP. We hope that this publication will support all of you who would like to obtain an understanding of the main differences between IFRS and Dutch GAAP.

Over 140 countries have adopted International Financial Reporting Standards (IFRS) or require the accounting standards which are closely aligned with IFRS for most or all domestic listed companies.

In Europe, IFRS, as adopted by the European Union (EU-IFRS), is required for EU listed companies in their consolidated financial statements. Additionally, the Dutch Civil Code permits listed Dutch companies to apply EU- IFRS (or, if desired, EU-IFRS recognition and measurement principles only) in their separate financial statements. Further, unlisted companies also are permitted to apply EU-IFRS. Consequently, a company's consolidated and separate financial statements may be prepared on the basis of two different accounting frameworks. Therefore, users of financial information need an overview of the significant differences between IFRS and Dutch GAAP to better understand differences in financial performance and financial position.

When IFRS was just implemented, there was fast-growing convergence between Dutch GAAP and IFRS, as the Dutch Accounting Standards Board (DASB) rapidly was implementing IFRS standards and interpretations into its own guidelines. As a result, the number of differences between IFRS and Dutch GAAP declined significantly during this period. However, in the last years the DASB had changed its strategy.

As a result, a large number of the DASB guidelines were no longer applicable to listed companies and the DASB focused its standard-setting activities to unlisted companies. Consequently, new IFRSs were no longer implemented automatically into the DASB guidelines. However, there is reversal of trend this year as there is some re-convergence between IFRS and Dutch GAAP. Legal entities under Dutch GAAP can now opt to account impairment of financial assets based on expected credit loss model under IFRS 9 (Financial instruments) and apply IFRS 15 (Revenue from contracts with customers), from an annual reporting period beginning on or after 1 January 2018.

In addition, Dutch Accounting Standards Board allowed entities reporting under Dutch GAAP to apply IFRS 16 (Leases), effectively from an annual reporting period beginning on or after 1 January 2019.

Such options under Dutch GAAP are particularly relevant for those legal entities that are part of a group reporting under IFRS, as well as for legal entities in industries for which IFRS is the commonly used financial reporting standard.

This development makes an updated comparison even more valuable; not only for users of financial information, but also for companies considering adopting IFRS or at least adopting the new standards under IFRS in their financial statements.

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About this publication

The purpose of this publication is to assist you in understanding the significant differences between the accounting principles of International Financial Reporting Standards as adopted by the European Union (IFRS) and Dutch accounting literature (Dutch GAAP).

A summary of the requirements of IFRS is included in the left-hand column. In the right-hand column, Dutch GAAP is compared to IFRS, highlighting similarities and differences. This publication is a summary of the key provisions of IFRS, contrasted with the parallel requirements of Dutch GAAP.

This publication does not discuss every possible difference, rather it is a summary of those differences that we have encountered most frequently in practice, resulting from either a difference in emphasis or specific application guidance. The focus of this publication is on recognition, measurement and presentation, rather than on disclosure. Therefore, disclosure differences are generally not discussed, although users of this publication should be aware that there are a relative large number of disclosure requirements under IFRS which are not included in Dutch GAAP. However, standards that are disclosure-based, such as segment reporting, are included.

This publication does not address the requirements included in the IFRS for Small and Medium-sized Entities, IAS 26 Accounting and Reporting by Retirement Benefit Plans and the forthcoming requirement in IFRS 17 Accounting for Insurance contracts; otherwise, this publication addresses the types of businesses and activities that IFRS addresses.

So, for example, biological assets are included in this publication, but accounting by not-for-profit entities is not. In addition, this publication focuses on consolidated financial statements prepared on a going concern basis. Separate (i.e. unconsolidated) financial statements are not addressed.

Lastly, the requirements of IFRS are discussed on the basis that the entity has adopted IFRS already and therefore excludes IFRS 1 First time adoption of IFRS and IFRS 14 Regulatory Deferral Accounts. The special transitional rules that will apply in the period that an entity changes its previous GAAP to IFRS, including implications for an entity in scope of IFRS 14, are discussed in our publication Insights into IFRS, KPMG's practical guide to International Financial Reporting Standards – find out more at kpmg.com/ifrs.

Effective date

Generally, the standards and interpretations included in this publication are those that are mandatory for an annual reporting period beginning on or after 1 January 2018. Unless otherwise noted, the requirements contained in these standards are 'currently effective'. A list of these standards and interpretations is included as Appendices.

Not yet endorsed

This publication includes in section 5.1A IFRS 16 Leases (2019) which is not yet effective in the scope of this publication.

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1 Background

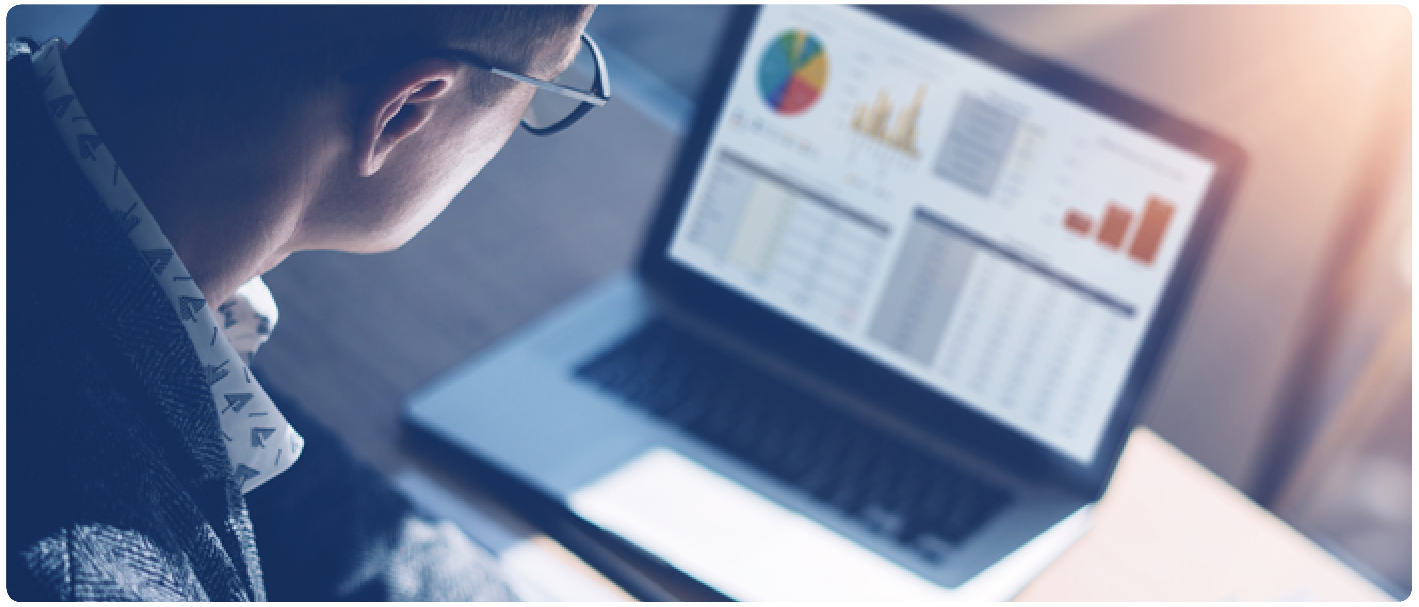
1.1 Introduction

IFRS	Dutch GAAP
'IFRS' is the term used to indicate the whole body of International Accounting Standards Board's (IASB's) authoritative literature. IFRS includes: • Standards issued by the IASB (IFRS), • International Accounting Standards (IAS) issued by the IASB's predecessor, the International Accounting Standards Committee, • Interpretations of IFRS and IAS issued by the IFRS Interpretations Committee (IFRIC), and • Interpretations developed by the Interpretations Committee's predecessor, the Standing Interpretations Committee (SIC).	'Dutch GAAP' is the term used to indicate the whole body of authoritative accounting literature, including the Dutch Civil Code (CC) and the Framework and the Guidelines on Annual Reporting, called 'Richtlijnen voor de Jaarverslaggeving' (RJ) from the Dutch Accounting Standards Board (DASB).
IFRS is designed for use by profit-oriented entities, although its use by not-for-profit organisations is not prohibited.	Like IFRS, the CC is designed for use by profit-oriented entities. Unlike IFRS, the RJ is designed for use both by profit-oriented entities and certain not-for-profit organisations.
Any entity claiming compliance with IFRS must comply with all standards and interpretations, including disclosure requirements.	Like IFRS, any entity claiming compliance with Dutch GAAP must comply with all the elements thereof and has to provide an explicit statement of compliance with Dutch GAAP.
The bold- and plain-type paragraphs of IFRS have equal authority and must be complied with.	Like IFRS, the CC must be complied with, although it does not comprise bold- and plain-type paragraphs. Unlike IFRS, the bold-type paragraphs of RJ are authoritative statements and the plain-type paragraphs of RJ are recommendations only. Unlike IFRS, in addition vertical lines in RJ (in the margin of the guidelines) help to identify new guidance or amended guidance.
The overriding requirement of IFRS is for the financial statements to give a fair presentation (or a true and fair view).	Like IFRS, the overriding requirement of Dutch GAAP is for the financial statements to give a fair presentation (true and fair view).
A hierarchy of alternative sources is specified for situations when IFRS does not cover a particular issue.	Unlike IFRS, no hierarchy is specified for situations when Dutch GAAP does not cover a particular issue. However, practice under Dutch GAAP is like IFRS.

IFRS also prescribes standards for Small and Medium sized Entities (SME). Compared with full IFRS, the IFRS for SMEs is less complex. The IFRS for SMEs is outside the scope of this publication.	Like IFRS, Dutch GAAP contains several exemptions for micro, small and medium sized legal entities. A separate set of RJs exists for micro and small legal entities. These exemptions and requirements are outside the scope of this publication. Therefore, the differences between IFRS and Dutch GAAP addressed in this publication are those that apply to large legal entities (meeting two out of three of the following criteria for two consecutive years: (1) net assets > euro 20 million; (2) revenue > euro 40 million; and (3) average number of employees > 250).
References: IFRS Foundation Constitution, IASB Due Process Handbook, IFRIC Due Process Handbook, Preface to IFRS, IAS 1, IAS 8	**References:** CC, Annual Accounts Formats Decree, Current Value Decree, Framework, RJ 140

1.2 Framework

IFRS	Dutch GAAP
The IASB and the Interpretations Committee use the conceptual framework (the Conceptual Framework) when developing new or revised standards and interpretations, or amending existing standards.	Like IFRS, the DASB uses its conceptual framework, which is a translation of the IASB framework, as an aid to drafting new or revised RJs.
The Conceptual Framework is a point of reference for preparers of financial statements in the absence of specific guidance in IFRS.	Like IFRS, the DASB framework is a point of reference for preparers of financial statements in the absence of specific guidance.
IFRS do not apply to items that are 'immaterial'.	While there is no explicit guidance, in practice Dutch GAAP is not applied to items that are 'immaterial', like IFRS.
Transactions should be accounted for in accordance with their substance, rather than only their legal form.	Like IFRS, transactions are accounted for in accordance with their substance, rather than only their legal form.
Financial statements are prepared on a going concern basis, unless management intends or has no realistic alternative other than to liquidate the entity or to stop trading.	The going concern assumption under Dutch GAAP is similar to IFRS.
If the entity is not a going concern entity and the financial statements are being prepared in accordance with IFRS, then in our view there is no general dispensation from the measurement, recognition and disclosure requirements.	Unlike IFRS, if an entity cannot meet its obligations and discontinuity becomes unavoidable, the financial statements are prepared on liquidation basis.
An asset is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.	Like IFRS, an asset is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.
A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.	Like IFRS, a liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.
An item that meets the definition of an asset or liability should be recognised if: - it is probable that any future economic benefit associated with the item will flow to or from the entity; and - the item has a cost or value that can be measured with reliability.	Like IFRS, an item that meets the definition of an asset or liability should be recognised if: - it is probable that any future economic benefit associated with the item will flow to or from the entity; and - the item has a cost or value that can be measured with reliability.
The term 'probable' is not defined in the Conceptual Framework, although it is defined in the provision Standard as more likely than not (see 3.10). However, higher thresholds cannot be ruled out for standards with a specific definition.	Like IFRS, the term 'probable' is not defined in the Conceptual Framework. The probability threshold would be interpreted similarly.
Equity is the residual interest in the assets of the entity after deducting all its liabilities.	Like IFRS, equity is the residual interest in the assets of the entity after deducting all its liabilities.
Transactions with shareholders in their capacity as shareholders are recognised directly in equity e.g. capital contributions from shareholders or dividends paid. However, the position is less clear when a transaction with a shareholder equally could have been with a third party. In these cases, the accounting is generally based on whether the shareholder was acting as a 'normal' counterparty.	Like IFRS, transactions with shareholders in their capacity as shareholders, are recognised directly in equity. Other transactions with equity holders should be considered carefully in determining the appropriate accounting.
References: IASB Framework, IAS 1, IAS 37	**References:** CC, Framework, RJ 100, RJ 115, RJ 170



2 General issues

2.1 Form and components of financial statements

IFRS	Dutch GAAP
The following are presented as a complete set of financial statements: • a statement of financial position; • a statement of profit or loss and other comprehensive income (statement of comprehensive income); • a statement of changes in equity; • a statement of cash flows; and • notes including accounting policies.	A set of (consolidated) financial statements comprises: • a statement of financial position (balance sheet); • an income statement; • a statement of cash flows; • a statement of comprehensive income, which can be presented as a primary statement or combined with the note on group equity or as extension on the income statement; and • notes comprising a summary of significant accounting policies and other explanatory information. Unlike IFRS, a statement of changes in equity is not required in consolidated financial statements. The statement of changes in equity (when presented), the statement of cash flows and the statement of comprehensive income may be presented in the notes.
In addition, a statement of financial position as at the beginning of the earliest comparative period is presented when an entity restates comparative information following a change in accounting policy, the correction of an error, or the reclassification of material items in the financial statements.	Unlike IFRS, there is no requirement to present a 'third' statement of financial position in case of a change in accounting policy, the correction of an error or the reclassification of material items in the financial statements.
While IFRS specify minimum disclosures to be made in the financial statements, they do not prescribe specific formats.	Prescriptive formats exist for the balance sheet and income statement; therefore differences from IFRS may exist in practice.
Comparative information is required for the preceding period only, but additional periods and information may be presented.	Like IFRS, comparative information is required for the preceding period only, but additional periods and information may be presented.
An entity must present consolidated financial statements unless specific criteria are met.	Like IFRS, an entity must present consolidated financial statements unless specific criteria are met (e.g. for intermediate holding companies). The specific criteria are slightly different from those in IFRS.
There is no requirement to present the parent entity's financial statements in addition to consolidated financial statements, although this is permitted.	Unlike IFRS, company financial statements (statutory financial statements) must be presented.
References: IFRS 10, IAS 1, IAS 27	**References:** CC, RJ 110, RJ 217, RJ 265, RJ 360, Annual Accounts Formats Decree (Besluit Modellen Jaarrekening)

2.2 Statement of financial position (Balance Sheet)

IFRS	Dutch GAAP
There is no prescribed format. As a minimum, the statement of financial position shall include following line items: **Assets** • Property, plant and equipment (PPE) • Investment property • Intangible assets • Financial assets • Investments accounted for using the equity method • Deferred tax assets • Biological assets • Inventories • Trade and other receivables • Cash and cash equivalents • Assets classified as held for sale in accordance with IFRS 5 • Assets for current tax **Liabilities** • Trade and other payables • Provisions • Financial liabilities • Liabilities or current tax • Liabilities classified as held for sale in accordance with IFRS 5 • Deferred tax liabilities **Equity** • Issued capital and reserves attributable to owners of the parent • Non-controlling interests	According to the CC, large entities should choose between two balance sheet formats, model A and B. In the Annual Accounts Formats Decree (Besluit Modellen Jaarrekening) specific guidance is provided. In accordance with this Decree, the statement of financial position shall include (as a minimum) the following line items: **Assets** **Non-current assets (x)** • Intangible fixed assets • Tangible fixed assets • Financial fixed assets **Current assets (x)** • Inventories • Receivables • Securities • Cash and cash equivalents **Equity and Liabilities** **Equity (y)** • Issued capital • Share premium • Revaluation reserve • Other statutory reserves and reserves according to the Articles of Association • Other reserves • Unappropriated result **Provisions (x)** **Non-current liabilities (x)** **Current liabilities (x)** The items marked with (x) should not be renamed. The order of the items mentioned in the applied model should not be changed. In the consolidated statement of financial position, equity (y) may be presented as one line item under the heading 'Group equity'. Non-Controlling Interest (NCI) is also presented under this heading.
The current/non-current classification is required except when a liquidity presentation is more relevant.	The current/non-current criteria for assets are the same as under IFRS.
An asset is classified as current if it is: • expected to be realised, sold or consumed in the entity's normal operating cycle; or • primarily held for the purpose of trading; • expected to be realised within 12 months after the balance sheet date; or • cash and cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets shall be classified as non-current.	
A liability is classified as current if: • it is expected to be settled in the entity's normal operating cycle; • it is primarily held for the purpose of trading; • it is expected to be settled within 12 months after the balance sheet date; or • the entity does not have an unconditional right to defer settlement of the liability until 12 months after the balance sheet date.	Unlike IFRS, for liabilities the current/non-current distinction should be based on the criterion whether the counterparty could redeem the liability within 12 months after the balance sheet date (if yes: current liability; if no: non-current liability).
A liability that is payable on demand because certain conditions are breached is classified as current even if the lender has agreed after the reporting date but before the financial statements are authorised for issue, not to demand repayment.	Unlike IFRS, in case of breach of debt covenants a liability may continue to be classified as non-current if an agreement has been reached with the lender before the financial statements are prepared.
All other liabilities shall be classified as non-current. However deferred tax assets or liabilities are always classified as non-current.	Unlike IFRS, deferred tax liabilities should be presented as a provision. A deferred tax asset should be presented as current receivables if it is expected to be received within 12 months after balance sheet date, if not, it should be presented as financial fixed assets.
A financial asset and liability are offset and reported net only when the entity has a legally enforceable right to offset and it intends either to settle on a net basis or to settle both amounts simultaneously.	Like IFRS, a financial asset and liability are offset and reported net only when the entity has a legally enforceable right to offset and it intends either to settle on a net basis or to settle both amounts simultaneously.
In case of early redemption (or an agreement thereto) of a liability after balance sheet date but before the date of preparation of financial statements, an entity presents such a liability as non-current in the balance sheet.	Unlike IFRS, in case of early redemption (or an agreement thereto) of a liability after balance sheet date but before the date of preparation of financial statements, an entity present such a liability as current in the balance sheet.
No forthcoming requirement in relation to early redemption of liability after balance sheet date.	Effectively from an annual period on or after 1 January 2019, unlike IFRS in case of early redemption (or an agreement thereto) of a liability after balance sheet date but before the date of preparation of financial statement, an entity may elect to present such a liability as non-current in the balance sheet.
References: IAS 1, IAS 12	**References:** CC, RJ 240, RJ 272, Annual Accounts Formats Decree (Besluit Modellen Jaarrekening)

2.3 Statement of comprehensive income (Income Statement)

IFRS	Dutch GAAP
An entity is required to present a statement of comprehensive income either in a single statement, or in two statements comprising of a separate statement of profit or loss and a separate statement of other comprehensive income. An analysis of expenses is required, either by their nature or by function, on the face of the income statement or in the notes to the financial statements. As a minimum, the income statement or the income statement section shall include following line items: • Revenue • Finance costs • Share of the profit or loss of associates and joint ventures accounted for using the equity method • Tax expense • A single amount for the total of discontinued operations • Separate presentation of the result for the period attributable to owners of the company and non-controlling interests. An example of a classification using the nature of expense method is as follows: • Revenue • Other income • Changes in inventories of finished goods and work in progress • Raw materials and consumables used • Employee benefit expense • Depreciation and amortisation expense • Other expenses • Total expenses • Profit before tax An example of a classification using the function of expense method is as follows: • Revenue • Cost of sales • Gross profit • Other income • Distribution expenses • Other expenses • Profit before tax	According to the CC, large entities should choose between two income statement formats (model E and F). In the Annual Accounts Formats Decree (Besluit Modellen Jaarrekening) specific guidance is provided. The formats differ in form of presentation of expenses (by function versus by category). Like IFRS, an analysis of expenses is required, either by their nature or by function, on the face of the income statement or in the notes to the financial statements. In accordance with this Decree, the income statement format (format E, expenses by nature) includes (as a minimum) the following line items: • Net turnover • Change in inventories of finished goods and in work in progress • Capitalised production (on behalf of own business) • Other operating income • Total operating income • Raw material and consumables • Other external charges • Wages and salaries • Social security costs • Amortisation/depreciation of intangible and tangible fixed assets • Other changes in value of intangible and tangible fixed assets • Impairment of current assets • Other operating expenses • Total operating expenses • Income from receivables attributable to fixed assets and from investments • Interest receivable and similar income • Changes in value of receivables attributable to fixed assets and of investments • Interest payable and similar charges • Result before tax • Tax • Share of result from participating interests • Result after tax In accordance to this Decree, the income statement format (format F, expenses by function) includes (as a minimum) the following line items: • Net turnover • Cost of sales • Gross margin on turnover • Selling and distribution expenses • General and administrative expenses • Total operating expenses • Net result on turnover • Other operating income • Income from receivables attributable to fixed assets and from investments • Interest receivable and similar income • Changes in value of receivables attributable to fixed assets and of investments • Interest payable and similar charges • Result before tax • Tax • Share of result from participating interests • Result after tax Unlike IFRS, the statement of comprehensive income ('totaalresultaat') is not a primary statement and may be disclosed as part of the equity movements schedule in the notes, or as an extension to the profit and loss account. The statement is only required for large entities that prepare consolidated financial statements. Unlike IFRS, Dutch GAAP is more prescriptive in the required line items that should be presented in the income statement.
Extraordinary items are not permitted.	Like IFRS, extraordinary items are not permitted
Items of income and expenses are not offset unless required or permitted by another standard, or if the amounts relate to similar transactions or events that are not material.	Like IFRS, items of income and expense are not offset unless required or permitted by another RJ or when the amounts relate to similar transactions or events that are not material.
An entity presents the items of Other Comprehensive Income (OCI) that will be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss. If OCI is presented before the related tax effects, then the disclosure of the related tax effects also distinguishes between these components of OCI.	Unlike IFRS, there is no such requirement for OCI items.
References: IAS 1	**References:** CC, RJ 135, RJ 240, RJ 265, RJ 270, Annual Accounts Formats Decree (Besluit Modellen Jaarrekening)

2.4 Statement of changes in equity

IFRS	Dutch GAAP
An entity presents both a statement of comprehensive income and a statement of changes in equity as part of a complete set of financial statements.	Unlike IFRS, the comprehensive income statement and the statement of changes in equity are not primary statements and may be presented as part of the notes to the consolidated financial statements. Unlike IFRS, a detailed presentation of equity components and changes therein should be disclosed in the company's financial statements. It is allowed to present the components of equity and changes therein also in the consolidated financial statements.
All owner-related changes in equity are presented in the statement of changes in equity, separately from non-owner changes in equity.	Like IFRS, owner-related changes in equity are disclosed separately from non-owner changes in equity.
References: IAS 1	**References:** CC, RJ 240, RJ 265

2.5 Statement of cash flows

IFRS	Dutch GAAP
The statement of cash flows is presented as a primary statement.	Unlike IFRS, the statement of cash flows is not a primary statement but instead may be presented as part of the notes to the consolidated financial statements, although this is not common practice. Unlike IFRS, a statement of cash flows is not required for intermediate holding companies whose parent presents consolidated financial statements including a cash flow statement that is equivalent to the one required by Dutch GAAP.
Cash flows are classified as relating to operating, investing and financing activities.	Like IFRS, cash flows are classified as relating to operating, investing and financing activities.
The separate components of a single transaction are classified as operating, investing or financing.	Like IFRS, the separate components of a single transaction are classified as operating, investing or financing.
Net cash flows from all three activities are totalled to show the change in cash and cash equivalents during the period, which then is used to reconcile opening and closing cash and cash equivalents.	Like IFRS, net cash flows from all three activities are totalled to show the change in cash and cash equivalents during the period, which then is used to reconcile opening and closing cash and cash equivalents.
Cash and cash equivalents includes certain short-term investments and, in some cases, overdrafts.	Like IFRS, cash includes short-term investments. However, unlike IFRS, in no circumstance are bank overdrafts included in cash and cash equivalents.
Cash flows from operating activities may be presented either by the direct or the indirect method. The indirect method starts with profit or loss.	Like IFRS, cash flows from operating activities may be presented either by the direct or the indirect method. Unlike IFRS, the preferred starting point is operating result. Alternatively, the result before or after tax may also be used.
An entity chooses its own policy for classifying each of interest and dividends paid as operating or financing activities, and interest and dividends received as operating or investing.	Like IFRS, dividends and interest received can be classified as operating or investing activities. Dividends paid and interest paid can be considered as operating activities or financing activities. However, classification of dividends paid as financing activities is preferable.
Income taxes paid are classified as operating activities unless it is practicable to identify them with, and therefore classify them as, financing or investing activities.	Like IFRS, income taxes paid (and received) are classified as operating activities, unless it is practicable to identify them with, and therefore classify them as financing or investing activities.
Foreign currency cash flows are translated at the exchange rate at the date of the cash flow (or using averages when appropriate).	Like IFRS, foreign currency cash flows are translated at the exchange rate at the date of the cash flow (or using averages when appropriate).
Generally, all financing and investing cash flows are reported gross. Cash flows are offset only in limited circumstances.	Like IFRS, all financing and investing cash flows should be presented gross and not offset. However, no guidance is provided on the types of items that qualify for net reporting.
To help users evaluate changes in liabilities related to financing activities, an entity provides a disclosure, including cash and non-cash changes.	Similar disclosure of material differences between items in the statement of cash flows and statements of changes in assets and liabilities is a recommended reconciliation.
References: IAS 7	**References:** RJ 360

2.6 Basis of accounting

IFRS	Dutch GAAP
Financial statements are prepared on a modified historical cost basis, with a growing emphasis on fair value.	Like IFRS, financial statements are prepared on a modified historical cost basis with a growing emphasis on fair value. Unlike IFRS, the term 'current value' (actuele waarde) is used in CC instead of 'fair value' , and its meaning (current cost, value in use, net realisable value or fair value) depends on the type of asset or liability and the specific circumstances.
When an entity's functional currency is hyperinflationary, its financial statements are adjusted to state all items in the measuring unit that is current at the reporting date. When an entity's functional currency becomes	Like IFRS, when an entity's functional currency is hyperinflationary its financial statements must be adjusted to state all items in the measuring unit that is current at the balance sheet date.

IFRS	Dutch GAAP
hyperinflationary, it makes price-level adjustments retrospectively as if the economy had always been hyperinflationary.	
An entity discloses information about key sources of estimation uncertainty and judgements made in applying the entity's accounting policies. An entity discloses estimation uncertainty that has a significant risk of causing material adjustments within the next annual reporting period.	Like IFRS, it is mandatory to disclose information about key sources of estimation uncertainty and judgements made in applying the entity's accounting policies (if it is considered necessary to provide a true and fair view in the financial statements).
References IAS 1, IAS 8, IAS 29	**References:** RJ 100, RJ 110, RJ 120, RJ 122

2.7 Fair value measurement

IFRS	Dutch GAAP
The fair value measurement standard sets out a single IFRS framework for measuring fair value that are required or permitted by other standards. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date – i.e. it is an 'exit price'. Fair value is based on assumptions that market participants would use in pricing the asset or liability. 'Market participants' are independent of each other, they are knowledgeable and have a reasonable understanding of the asset or liability, and they are willing and able to transact. Fair value measurement assumes that a transaction takes place in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. What is being measured – e.g. a stand-alone asset or a group of assets and/or liabilities – generally depends on the unit of account, which is established under the relevant standard. The fair value of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant who will use the asset in in its highest and best use. For liabilities or an entity's own equity instrument, if a quoted price for a transfer of an identical or similar liability or own equity instrument is not available and the identical item is held by another entity as an asset, then the liability or own equity instrument is valued from the perspective of a market participant that holds the asset. Failing that, other valuation techniques are used to value the liability or own equity instrument from the perspective of a market participant that owes the liability or has issued the claim on equity. The fair value of a liability reflects non-performance risk. Non-performance risk is assumed to be the same before and after the transfer of the liability. Non-performance risk includes, but may not be limited to, an entity's own credit risk. There is no practical expedient that allows entities to measure the fair value of certain investments at net asset value. When another IFRS requires or permits an asset or a liability to be measured initially at fair value, gains or losses arising on differences between fair value at initial recognition and the transaction price are recognised in profit or loss, unless the other IFRS requires otherwise. Appropriate valuation technique(s) should be used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. While the fair value measurement standard discusses three general approaches to valuation (the market, income, and cost approaches), it does not establish specific valuation standards. Several valuation techniques may be available under each approach. An entity that manages a group of financial assets and financial liabilities on the basis of its net exposure to either market risks or credit risk is permitted to measure the fair value of the net exposure of that group, provided certain conditions are met. The inputs are categorised into three levels (Levels 1, 2 and 3), with the highest priority given to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority given to unobservable inputs. For fair value measurements of assets or liabilities having bid and ask prices, an entity uses the price within the bid-ask spread that is most representative of fair value in the circumstances. The use of bid prices for assets and ask prices for liabilities is permitted. Guidance is provided on measuring fair value when there has been a decline in the volume or level of activity in a market, and when transactions are not orderly. The fair value measurement standard includes a comprehensive disclosure framework.	Dutch GAAP has no specific accounting standard on fair value measurement. The definitions and measurement criteria of current value are set out in the Current Value Decree ('Besluit actuele waarde'). The Current Value Decree describes four current value measurement methods. The most appropriate measurement method depends on the type of asset, liability and relevant circumstances. The Current Value Decree describes the following methods, which are in general accepted under IFRS as well: a) current cost; b) value in use; c) market value (fair value); or d) net realisable value. The RJ guidelines provide further rules on these methods and the assets, liabilities and circumstances in which these methods should be applied. Fair value of assets or liabilities are defined as the value that is based on market prices or on data which are relevant as per date of valuation. There is very limited guidance on how to determine the fair value of an asset or liability. No strict fair value hierarchy is described.

A fair value hierarchy is used to categorise fair value measurements for disclosure purposes. Fair value measurements are categorised in their entirety based on the lowest level input that is significant to the entire measurement.	
References: IFRS 13	**References:** Current Value Decree ('Besluit actuele waarde'), RJ 120, RJ 290

2.8 Consolidation

IFRS	Dutch GAAP
Consolidation is based on a 'power to direct' model. An investor controls an investee if it is exposed to (has rights to) variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. Although there is a practical distinction between structured and non-structured entities, the same control model applies to both.	Unlike IFRS, consolidation under Dutch GAAP is focused primarily on the concept of a group (company) rather and then on control. The Dutch consolidation rules are in line with the predecessor of IFRS 10, being IAS 27 and SIC 12. The main criteria for a group (company) are: • Economic unit • Organisational connections • Central management
For a structured entity, voting rights are not the dominant factor in assessing whether the investor has power over the investee.	Like IFRS, under Dutch GAAP, also special purpose entities need to be evaluated under the main criteria of Dutch GAAP.
The investor considers the purpose and design of the investee so as to identify its relevant activities, how decisions about such activities are made, who has the current ability to direct those activities and who receives returns there from.	Unlike IFRS, a group is defined as a parent and all of its 'group companies' (IFRS: subsidiaries). The IFRS 10 approach, to determine whether the parent has a subsidiary, is different than the Dutch GAAP approach for group companies. For example, the IFRS concepts of 'de-facto control' and 'substantive' rights are different (less detailed).
Control is usually assessed over a legal entity, but can also be assessed over only specified assets and liabilities of an entity (referred to as a 'silo') when certain conditions are met.	Unlike IFRS, no guidance exists regarding assessing control over only specified assets and liabilities of an entity (referred to as a 'silo').
Control is assessed on a continuous basis.	Like IFRS, the consolidation assessment is done on a continuous basis.
There is a 'gating' question in the model, which is to determine whether voting rights or rights other than voting rights are relevant when assessing whether the investor has power over the relevant activities of the investee.	Like IFRS, facts and circumstances determining the ability of having de-facto control should be considered as well, however the assessment under IFRS might be more strict and conclusive.
In assessing control, an investor considers both substantive rights that it holds and substantive rights held by others. To be 'substantive' rights need to be exercisable when decisions about the relevant activities are required to be made, and the holder needs to have practical ability to exercise those rights.	Like IFRS, in assessing (potential) voting rights are considered when they are substantive.
Subsidiaries are generally consolidated. As an exception, investment entities generally account for investments in subsidiaries at fair value.	Unlike IFRS, Dutch GAAP grants several exemptions for companies to draw up consolidated accounts: • Small groups ('article 407 of the CC') • Companies that are guaranteed by the parent and meet specified conditions ('article 403' of the CC) • Intermediate holding companies ('article 408 of the CC') The latter exemption is broadly similar to the exemption of IFRS 10.4(a). Like IFRS, subsidiaries are generally consolidated. As an exception, investment entities generally account for investments in subsidiaries at fair value and do not consolidate those investments.
If voting rights are relevant when assessing power, then substantive potential voting rights are taken into account. The investor assesses whether it holds voting rights sufficient to unilaterally direct the relevant activities of the investee, which can include de-facto power. If voting rights are not relevant when assessing power, then the investor considers: • the purpose and design of the investee; • what the relevant activities are and how decisions about those activities are made; • evidence that the investor has the practical ability to direct the relevant activities unilaterally; • indications that the investor has a special relationship with the investee; and • whether the investor has a large exposure to variability in returns.	Further, unlike IFRS, under Dutch GAAP the requirement to consolidate does not apply for companies to be included in the consolidation: • of which the combined significance is not material to the whole; • of which the required information can only be obtained or estimated at disproportionate expense or with great delay; or • of which the interest is only held for disposal.
Returns are broadly defined and include: • distributions of economic benefits; • changes in the value of the investment; and • fees, remunerations, tax benefits, economies of scale, cost savings and other synergies.	
An investor that has decision-making power over an investee and exposure to variability in returns determines whether it acts as a principal or as an agent to determine whether there is a linkage between power and returns. When the decision maker is an agent, the link between power and returns is absent and the decision maker's delegated power is treated as if it were held by its principal(s).	
An entity takes into account the rights of parties acting on its behalf when assessing whether it controls an investee.	
The acquirer in a business combination can elect, on a transaction-by-transaction basis, to measure 'ordinary' NCI at fair value, or at their proportionate interest in the	Unlike IFRS, NCI should always be measured at their proportionate interest in the identifiable net assets of the acquiree, at the acquisition date.

IFRS	Dutch GAAP
net assets of the acquiree, at the date of acquisition. 'Ordinary NCI' are present ownership interests that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other NCI are generally measured at fair value.	
Uniform accounting policies are used throughout the group.	Like IFRS, uniform accounting policies must be used throughout the group.
A parent and its subsidiaries generally use the same reporting date when preparing consolidated financial statements. If this is impracticable, then the difference between the reporting date of a parent and its subsidiary cannot be more than three months. Adjustments are made for the effects of significant transactions and events between the two dates.	Like IFRS, the difference between the reporting dates of a parent and a subsidiary cannot be more than three months.
Non-controlling interests (NCI) in the statement of financial position are classified as equity but are presented separately from the parent shareholders' equity.	Unlike IFRS, NCI in the statement of financial position are classified as part of group equity. Like IFRS, NCI are presented separately from the parent shareholders' equity in the disclosure notes.
An entity recognises a liability for the present value of the exercise price of put options held by NCI, but there is no detailed guidance on the accounting for such put options.	Unlike IFRS, Dutch GAAP has not prescribed the accounting for put options held by NCI.
Losses in a subsidiary may create a deficit balance in NCI.	Like IFRS, losses in a subsidiary may create a deficit balance in NCI. Treatment can be different, depending on any liability of the NCI-owner to these losses.
Profit or loss and comprehensive income for the period are allocated between shareholders of the parent and NCI.	Like IFRS, profit or loss for the period is allocated between shareholders of the parent and NCI. Unlike IFRS, the statement of comprehensive income starts with the net result, after NCI. Therefore there is no split between shareholders and NCI in the statement of comprehensive income.
Intra-group transactions are eliminated in full.	Like IFRS, intra-group transactions are eliminated in full.
On the loss of control of a subsidiary, the assets and liabilities of the subsidiary and the carrying amount of the NCI are derecognised. The consideration received and any retained interest (measured at fair value) are recognised. Amounts recognised in OCI are reclassified as required by other standards. Any resulting gain or loss is recognised in profit or loss.	Unlike IFRS, on the loss of control of a subsidiary, the retained interest is not remeasured at fair value. The gain or loss on disposal to be recognised in profit or loss is determined on the basis of a proportion of the carrying amount that is sold.
Changes in the parent's ownership interest in a subsidiary without a loss of control are accounted for as equity transactions and no gain or loss is recognised.	Unlike IFRS, changes in the parent's ownership interest in a subsidiary without loss of control are not accounted for as equity transactions. The gain or loss on disposal to be recognised in profit or loss is determined on the basis of a proportion of the carrying amount that is sold.
References: IFRS 10, IAS 27	**References:** CC, RJ 214, RJ 217, RJ 265

2.9 Business combinations

IFRS	Dutch GAAP
Business combinations are accounted for under the acquisition method, with limited exceptions. A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses.	*General - note that the differences between IFRS and Dutch GAAP on business combinations are numerous and that the possible impact might be significant.* Most transactions within the scope of RJ 216 are accounted for as acquisitions by applying purchase accounting. However, unlike IFRS, the pooling of interests method can still be used in limited situations (such as 'true mergers').
The acquirer in a business combination is the combining entity that obtains control of the other combining business or businesses.	Like IFRS, the acquirer in a business combination is the combining entity that obtains control of the other combining business or businesses.
In some cases, the legal acquiree is identified as the acquirer for accounting purposes (reverse acquisition).	Like IFRS, the acquirer for accounting purposes may not be the legal acquirer, in which case the transaction is accounted for as a reverse acquisition.
The acquisition date is the date on which the acquirer obtains control of the acquiree.	Like IFRS, the date of acquisition is the date on which effective control is transferred to the acquirer.
Consideration transferred by the acquirer, which is generally measured at fair value at the acquisition date, may include assets transferred, liabilities incurred by the acquirer to the previous owners of the acquiree and equity interests issued by the acquirer.	Like IFRS, the cost of acquisition, which is determined at the date of exchange, is the amount of cash or cash equivalents paid, plus the fair value of the other purchase consideration given, including equity instruments issued and the fair value of liabilities assumed and, unlike IFRS, any costs directly attributable to the acquisition.
Contingent consideration transferred is initially recognised at fair value. Contingent consideration classified as a liability is generally remeasured to fair value each period until settlement, with changes recognised in profit or loss. Contingent consideration classified as equity is not remeasured.	Unlike IFRS, a liability for contingent consideration is recognised as soon as payment becomes probable and the amount can be measured reliably. Unlike IFRS, subsequent changes in the (estimate of the) contingent consideration changes the goodwill (instead of profit or loss).
Any items that are not part of the business combination transaction are accounted for outside the acquisition accounting.	Like IFRS, any items that are not part of the business combination transaction are accounted for outside the acquisition accounting.
The identifiable assets acquired and liabilities assumed are recognised separately from goodwill at the acquisition date if they meet the definition of assets and liabilities and are exchanged as part of the business combination.	Like IFRS, identifiable assets acquired and liabilities assumed are recognised separately from goodwill at the acquisition date if they meet the definition of assets and liabilities and are exchanged as part of the business combination. However, unlike IFRS, the acquiree's intangible assets are recognised only if they meet the (more strict) general requirements for recognition of intangibles. Also unlike IFRS, the acquiree's contingent liabilities, which do not meet the recognition criteria for provisions, are not recognised.
The identifiable assets acquired and liabilities assumed as part of a business combination are generally measured at the acquisition date at their fair values.	Like IFRS, the acquiree's identifiable assets and liabilities are measured at fair value at the date of acquisition.

There are limited exceptions to the recognition and/or measurement principles in respect of contingent liabilities, deferred tax assets and liabilities, indemnification assets, employee benefits, re-acquired rights, share-based payment awards and assets held for sale.	Unlike IFRS, restructuring provisions related to the business combination should be recognised by the acquirer if certain strict criteria are met. Therefore, unlike IFRS, those restructuring provisions could impact goodwill. Unlike IFRS, goodwill is amortised over its useful life, with the rebuttable presumption that the useful life is no longer than 20 years.
Goodwill is measured as a residual and is recognised as an asset. When the residual is a deficit (gain on a bargain purchase), it is recognised in profit or loss after re-assessing the values used in the acquisition accounting.	Like IFRS, when the fair value of the identifiable asset and liability exceeds the acquisition cost, the fair value should be reassessed. Unlike IFRS, negative goodwill is recorded as a liability on the balance sheet. Negative goodwill in relation to future losses is realised in profit and loss when those losses are incurred. 'Other' negative goodwill is realised in profit and loss in conjunction with the depreciable non-monetary assets it relates to. Any excess negative goodwill is recognised in profit and loss immediately.
Adjustments to the acquisition accounting during the 'measurement period' (till 12 months after acquisition) reflect additional information about facts and circumstances that existed at the acquisition date. Such adjustments are made by retrospective application to the period in which the acquisition occurred and any subsequent periods.	Like IFRS, adjustments to acquisition accounting are made for additional information about facts and circumstances that existed at the acquisition date. However, unlike IFRS, the 'measurement period' for adjustments lasts longer, i.e. until the end of the first financial year following the year of acquisition.
'Ordinary' non-controlling interests (NCI) may be measured at fair value, or at their proportionate interest in the identifiable net assets of the acquiree. 'Other' NCI are generally measured at fair value.	Unlike IFRS, NCI should always be measured at their proportionate interest in the identifiable net assets of the acquiree, at the acquisition date.
'Push down' accounting, whereby fair value adjustments are recognised in the financial statements of the acquiree is not allowed.	Like IFRS, 'push down' accounting is not allowed.
When a business combination is achieved in stages (step acquisition), the acquirer's previously held non-controlling equity interest in the acquiree is remeasured to fair value at the acquisition date, with any resulting gain or loss recognised in profit or loss.	Unlike IFRS, if an acquisition is achieved in successive share purchases, then each significant transaction is accounted for separately as an acquisition. Unlike IFRS, it is allowed that the acquirer remeasures its previously held assets and liabilities in the acquiree to fair value at the acquisition date, with any resulting gain or loss recognised directly in equity revaluation reserve).
A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties. The accounting for common control transactions is not covered explicitly in any of the standards.	Unlike IFRS, common control transactions are explicitly covered. The acquirer in a common control transaction should apply either acquisition accounting or book value accounting, the latter method with a possibility to restate comparative information if common control was established earlier (pooling of interest method versus carry-over accounting method).

In general, items recognised in the acquisition accounting are measured and accounted for in accordance with the relevant standards subsequent to the business combination. However, as an exception, there is specific guidance for certain items, for example in respect of contingent liabilities and indemnification assets. The acquisition of a collection of assets that does not constitute a business is not a business combination. In such cases, the entity allocates the cost of acquisition to the assets acquired and liabilities assumed based on their relative fair values at the acquisition date. No goodwill is recognised.	Like IFRS, items recognised in the acquisition accounting are measured and accounted for in accordance with the relevant RJs subsequent to the business combination. Like IFRS, there is specific guidance for certain items, but this guidance can be different from IFRS, for example in respect of contingent liabilities (see above). Like IFRS, the acquisition of a collection of assets that does not constitute a business is not a business combination. Like IFRS, the entity allocates the cost of acquisition to the assets acquired and liabilities assumed based on their relative fair values at the date of acquisition, and no goodwill is recognised.
References: IFRS 3	**References:** RJ 210, RJ 214, RJ 216

2.10 Foreign exchange translation

IFRS	Dutch GAAP
An entity measures its assets, liabilities, income and expenses in its functional currency, which is the currency of the primary economic environment in which it operates.	Like IFRS, an entity measures its assets, liabilities, revenues and expenses in its functional currency, which is the currency of the primary economic environment in which it operates.
All transactions that are not denominated in an entity's functional currency are foreign currency transactions.	Like IFRS, all transactions that are not denominated in an entity's functional currency are foreign currency transactions.
At each reporting date foreign currency items shall be translated for: (i) monetary items using the closing rate, (ii) non-monetary items at fair value using the fair value (re)measurement date, (iii) other non-monetary items using the rate at the date of transaction.	Like IFRS, at each reporting date foreign currency items shall be translated for: (i) monetary items using the closing rate, (ii) non-monetary items at fair value using the fair value (re)measurement date, (iii) other non-monetary items using the rate at the date of transaction.
Exchange differences arising on translation generally are recognised in profit or loss.	Like IFRS, exchange differences arising on translation generally are recognised in profit or loss.
The financial statements of foreign operations are translated for consolidation purposes as follows: assets and liabilities are translated at the closing rate; income and expenses are translated at actual rates or appropriate averages; and equity components (excluding current-year movements, which are translated at actual rates) are translated at historical rates.	The rules on translating the financial statements of foreign operations are similar to IFRS.
Exchange differences arising on the translation of the financial statements of a foreign operation are recognised in other comprehensive income (OCI) and accumulated in a separate component of equity. The amount attributable to any non-controlling interests (NCI) is allocated to and recognised as part of NCI.	
If the functional currency of a foreign operation is the currency of a hyperinflationary economy, then current purchasing power adjustments are made to its financial statements before translation into a different presentation currency; the adjustments are based on the closing rate at the end of the current period. However, if the presentation currency is not the currency of a hyperinflationary economy, then comparative amounts are not restated.	Like IFRS, if the functional currency of a foreign operation is hyperinflationary, then current purchasing power adjustments are made to its financial statements prior to translation; the financial statements are then translated at the closing rate at the end of the current period.
An entity may present its financial statements in a currency other than its functional currency (presentation currency). An entity that translates financial statements into a presentation currency other than its functional currency uses the same method as for translating financial statements of a foreign operation.	Like IFRS, an entity may present its financial statements in a currency other than its functional currency. When financial statements are translated into a presentation currency other than the functional currency, the translation procedures are the same as those for translating foreign operations.
If an entity loses control of a subsidiary that is a foreign operation, then the cumulative exchange differences recognised in OCI are reclassified in their entirety to profit or loss. If control is not lost, then a proportionate amount of the cumulative exchange differences recognised in OCI is reclassified to NCI.	Unlike IFRS, when an investment in a foreign operation is (partially) disposed of, then it is recommended that a proportionate amount of the cumulative exchange differences is recognised in profit or loss. Alternatively, the differences may remain in equity by transferring them to 'Other reserves'.
If an entity retains neither significant influence nor joint control over a foreign operation that was an associate or joint arrangement, then the cumulative exchange differences recognised in OCI are reclassified in their entirety to profit or loss. If either significant influence or joint control is retained, then a proportionate amount of the cumulative exchange differences recognised in OCI is reclassified to profit or loss.	
A foreign currency transaction is measured at the spot rate on initial recognition. Any related forward contracts are measured at fair value and may qualify as hedging instruments.	Like IFRS, a foreign currency transaction is measured at the spot rate on initial recognition. Unlike IFRS, any related forward contracts may be measured either at cost or at fair value, and may qualify as hedging instruments.
Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Thus they shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate.	Unlike IFRS, Dutch GAAP allows goodwill and changes in fair value of identified assets and liabilities to be treated as non-monetary items of the acquirer, and therefore recognises no translation differences.
An entity may present supplementary financial information in a currency other than its presentation currency if certain disclosures are made.	Like IFRS, an entity may present supplementary financial information in a currency other than its presentation currency if certain disclosures are made.
References: IAS 21, IAS 29, IFRIC 22	**References:** RJ 100, RJ 110, RJ 120, RJ 122

2.11 Changes in accounting policies and estimates, and errors

IFRS	Dutch GAAP
Accounting policies are the specific principles, bases, conventions, rules and practices that an entity applies in preparing and presenting financial statements.	Like IFRS, accounting policies are the specific principles, bases, conventions, rules and practices that an entity applies in preparing and presenting financial statements.
If IFRS does not cover a particular issue, management uses its judgement based on a hierarchy of accounting literature.	Like IFRS, when Dutch GAAP does not cover a particular issue, management uses its judgement based on a hierarchy of accounting literature.
Unless otherwise specifically permitted by an IFRS, the accounting policies adopted by an entity are applied consistently to all similar items.	Like IFRS, the accounting policies adopted by an entity are applied consistently to all similar items.
An accounting policy is changed in response to a new or revised IFRS or on a voluntary basis if the new policy is more appropriate.	Like IFRS, an accounting policy is changed in response to a new or revised standard or law or on a voluntary basis if the new policy is more appropriate.
When an entity has not applied a new IFRS that has been issued but is not yet effective, the entity shall disclose this fact and disclose known or reasonable estimable information relevant to assessing the possible impact of the new IFRS on the entity's financial statements.	Unlike IFRS, it is not required for a new RJ issued but not yet effective (and that has not been adopted) to disclose that it has not yet been adopted and to disclose the expected impact on the financial statements.
Generally, accounting policy changes and corrections of material prior-period errors are made by adjusting opening equity and restating comparatives, unless this is impracticable.	Like IFRS, most accounting policy changes are made by adjusting opening retained earnings and restating comparatives.
A statement of financial position as at the beginning of the earliest comparative period is presented when an entity restates comparative information, following a change in accounting policy, the correction of an error, or reclassification of items in the financial statements.	Like IFRS, all material errors shall be recognised retrospectively in the first set of financial statements authorised for issue after their discovery. The cumulative effect of the material error is accounted for in opening equity of the comparative year. Unlike IFRS, there is no requirement to present a 'third' statement of financial position.
Changes in accounting estimates are accounted for prospectively.	Like IFRS, changes in accounting estimates are accounted for prospectively.
If it is difficult to determine whether a change is a change in accounting policy or a change in estimate, then it is treated as a change in estimate.	Like IFRS, if it is difficult to determine whether a change is a change in accounting policy or a change in estimate, then it is treated as a change in estimate.
If the classification or presentation of items is changed, then comparatives are restated unless impracticable.	Like IFRS, if the classification or presentation of items is changed, then comparatives are restated unless impracticable.
References IAS 1, IAS 8	**References:** RJ 140, RJ 145, RJ 150

2.12 Events after the reporting period

IFRS	Dutch GAAP
The financial statements are adjusted to reflect events that occur after the end of the reporting period, but before the financial statements are authorised for issue, if those events provide evidence of conditions that existed at the end of the reporting period.	Like IFRS, the financial statements are adjusted to reflect events that occur after the balance sheet date if those events provide evidence of conditions that existed at the balance sheet date, but before the financial statements are prepared (comparable with: authorised for issue). Unlike IFRS, these events are also adjusted if these occur between the date of preparation and the approval of the financial statements in the annual meeting if they are indispensable ('onontbeerlijk') for the insight that should be given by the financial statements.
Financial statements are not adjusted for events that are a result of conditions that arose after the end of the reporting period, except when the going concern assumption is no longer appropriate.	Like IFRS, the financial statements generally are not adjusted for events that are indicative of conditions that arose after the balance sheet date.
The date on which the financial statements were authorised for issue and who gave the authorisation are disclosed.	Like IFRS, the date on which the financial statements were prepared (authorised for issue) and who gave the authorisation are disclosed.
The classification of liabilities as current or non-current is based on circumstances at the end of the reporting period.	Unlike IFRS, the classification of liabilities may reflect post-balance sheet agreements. Events after the balance sheet date but before the date that the financial statements are 'authorised for issue' might be taken into consideration, for example continuance of a non-current liability to present as non-current or as current liability.
Dividends declared, proposed or approved after the balance sheet date are not recognised as a liability in the financial statements.	Unlike IFRS, if a balance sheet is presented after appropriation of profit, there is a choice to present the dividends declared as a separate component of equity or as a liability. If the balance sheet is presented before appropriation of profit, the proposed dividend should not be presented separately in equity (instead the profit for the year should then be presented as a separate component within equity).
Subsequent events are reported as part of the notes to the financial statements.	Like IFRS, subsequent events are reported as part of the notes to the financial statements.
References: IAS 1, IAS 10	**References:** RJ 160, RJ 254

3 Specific Statement of financial position items

3.1 Property, plant and equipment

IFRS	Dutch GAAP
Property, plant and equipment is initially recognised at cost.	Like IFRS, property, plant and equipment is recognised initially at cost.
Cost includes all expenditure, including administrative and general overhead expenditure, directly attributable to bringing the asset to a working condition for its intended use.	Like IFRS, cost includes all expenditure, including administrative and general overhead expenditure, directly attributable to bringing the asset to a working condition for its intended use. However, unlike IFRS, an entity also may include in cost a reasonable amount of indirect costs, including interest, incurred during the period of construction regardless of whether they are directly attributable to bringing the asset to a working condition for its intended use.
Borrowing costs (interest cost) that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset.	Unlike IFRS, the entity can choose to capitalise borrowing cost attributable to a qualifying asset or not.
Cost includes the estimated cost of dismantling and removing the asset and restoring the site.	Like IFRS, cost may include the estimated cost of dismantling and removing the asset and restoring the site. However, unlike IFRS, as an alternative a provision for such costs may be built up over the life of the asset, with a corresponding expense recognised in profit or loss.
Changes to an existing decommissioning or restoration obligation generally must be added to or deducted from the cost of the related asset and depreciated prospectively over the asset's remaining useful life.	Like IFRS, changes to an existing decommissioning or restoration obligation may be added to or deducted from the cost of the related asset and depreciated prospectively over the asset's remaining useful life. However, unlike IFRS, if such costs are recognised by building up a provision, then any changes are recognised prospectively in the provision over the asset's remaining useful life.
Property, plant and equipment is depreciated over its useful life.	Like IFRS, property, plant and equipment is depreciated over its useful life.
An item of property, plant and equipment is depreciated even if it is idle. However, a non-current asset that is held for sale is not depreciated.	Like IFRS, an item of property, plant and equipment is depreciated even if it is idle. Although, unlike IFRS, Dutch GAAP does not include a special standard for non-current assets held for sale, retired tangible fixed assets should be valued at cost or lower net realisable value or if it is decided to sell the asset at net realisable value (as under IFRS). In that case depreciation is ceased (see 5.4).
The useful life, residual value and method of depreciation must be reviewed at least at each balance sheet date. Estimated residual values reflect prices at the balance sheet date.	Unlike IFRS, the useful lives, residual values or methods of depreciation are reassessed only if there is an indication of change.
A change in the useful life of an asset is accounted for prospectively as a change in accounting estimate.	Like IFRS, a change in the useful life of an asset is accounted for prospectively as a change in an accounting estimate.
When an item of property, plant and equipment comprises individual components for which different depreciation methods or rates are appropriate, each component is accounted for separately (component accounting).	Like IFRS, when an item of property, plant and equipment comprises individual components for which different depreciation methods or rates are appropriate, it can account for each component separately. However, unlike IFRS, it is also allowed to recognise expenses for periodic maintenance and major overhauls (a) by accruing a provision or (b) in profit or loss as incurred (not allowed anymore as from 1 January 2019).
Subsequent expenditure is capitalised when it is probable that future economic benefits will flow to the entity, including when the costs are for replacing a component of the item.	Like IFRS, subsequent expenditure is capitalised when it is probable that future economic benefits will flow to the entity.
Property, plant and equipment may be revalued to fair value if all items in the same class are revalued at the same time and the revaluations are kept up-to-date.	Unlike IFRS, property, plant and equipment may be revalued to current cost (or recoverable amount, when lower). Like IFRS, in substance the same guidance is applicable with respect to the frequency and timing of revaluations.
Compensation for loss or impairment cannot be offset against the carrying amount of the asset lost or impaired.	Like IFRS, compensation for loss or impairment cannot be offset against the carrying amount of the asset lost or impaired.
The gain or loss on disposal is the difference between the net proceeds received and the carrying amount of the asset.	Like IFRS, the gain or loss on disposal is the difference between the net proceeds received and the carrying amount of the asset.
Compensation for the loss or impairment of property, plant and equipment is recognised in profit or loss when it is receivable.	Like IFRS, compensation for the loss or impairment of property, plant and equipment is recognised in profit or loss when it is receivable. Note: as from the annual period beginning or after 1 January 2019 cost of major maintenance cannot be expensed as incurred in profit or loss anymore. In case a change in accounting policy is required, such change is applied retrospectively. However, as an option the prospective method is allowed in case 'component accounting method' will be applied going forward.
References: IAS 16, IAS 23	**References:** CC, RJ 212, RJ 273

3.2 Intangible assets and goodwill

IFRS	Dutch GAAP
An 'intangible asset' is an identifiable non-monetary asset without physical substance. An intangible asset is 'identifiable', if it is separable or arises from contractual or other legal rights.	Like IFRS, an 'intangible asset' is an identifiable non-monetary asset without physical substance.
For an item to be recognised as an intangible asset, it must have future economic benefits that it is probable will be realised and its cost must be reliably measurable.	Like IFRS, for an item to be recognised as an intangible asset, it must have future economic benefits that it is probable will be realised and its cost must be reliably measurable.
Intangible assets are recognised initially at cost.	Like IFRS, intangible assets are recognised initially at cost.
The measurement of the cost of an intangible asset depends on whether it has been acquired separately, acquired as part of a business combination or was generated internally.	Like IFRS, the measurement of the cost of an intangible asset depends on whether it has been acquired separately, acquired as part of a business combination or was generated internally. Unlike IFRS, the recognition criteria for intangible assets acquired as part of a business combination are the same as for intangible assets acquired separately.
Goodwill is measured as the excess of the cost of an acquired entity over the fair value of the identifiable assets acquired, liabilities and contingent liabilities assumed (see 2.9). Goodwill represents future economic benefits arising from assets that are not capable of being identified individually and recognised separately.	Like IFRS, goodwill is measured as the excess of the cost of an acquired entity over the fair value of the identifiable assets acquired and liabilities assumed, i.e., excluding contingent liabilities (see 2.9). Like IFRS, goodwill represents future economic benefits arising from assets that are not capable of being identified individually and recognised separately. As per 1 January 2016 it is no longer allowed to charge goodwill directly to equity or through profit or loss. For goodwill charged directly to equity or profit or loss in the past, specific transitional provisions are available for this change in accounting policy.
Acquired goodwill and other intangible assets with indefinite lives are not amortised but must be tested for impairment at least annually.	Unlike IFRS, all goodwill recognised on the balance sheet and other intangible assets are assumed to have finite useful lives. There is a rebuttable presumption that the useful life is no longer than 20 years. Annual impairment testing is required for goodwill and intangible assets with useful lives of longer than 20 years. All fixed assets (including goodwill and other intangible assets) should be tested for impairment if an indication exist (see 3.8).
Intangible assets with finite lives are amortised over their expected useful lives, normally on a straight-line basis. Generally, the residual value of an intangible asset is assumed to be zero.	Like IFRS, intangible assets are amortised over their expected useful lives, normally on a straight-line basis. Like IFRS, generally the residual value of an intangible asset is assumed to be zero.
Internal development expenditure is capitalised if specific criteria are met.	Like IFRS, internal development expenditure is capitalised if specific criteria are met.
The following costs cannot be capitalised as intangible assets: internally generated goodwill, research costs, costs to develop customer lists, start-up costs, and expenditure incurred on training, advertising and promotional activities or on relocation or reorganisation.	Like IFRS, internally generated goodwill, research costs, costs to develop customer lists, start-up costs, and expenditure incurred on training, advertising and promotional activities or on relocation or reorganisation are not allowed to be recognised on the balance sheet under Dutch GAAP.

The subsequent expenditure on an intangible asset is capitalised only if the definition of an intangible asset and the recognition criteria are met.	Like IFRS, the subsequent expenditure on an intangible asset is capitalised only if the definition of an intangible asset and the recognition criteria are met.
Intangible assets may be revalued to fair value only if there is an active market.	Like IFRS, intangible assets may be revalued to current cost (or recoverable amount, when lower) only if there is an active market. The recoverable amount is the highest of the value in use or net realisable value.
In-process research and development (R&D) acquired in a business combination is accounted for under specific guidance.	Unlike IFRS, in-process research and development (R&D) acquired in a business combination is recognised (and measured initially at fair value) only when the general criteria for capitalisation of intangible fixed assets are met.
The following costs cannot be capitalised as intangible assets: internally generated goodwill, research costs, costs to develop customer lists, start-up costs, and expenditure incurred on training, advertising and promotional activities or on relocation or reorganisation.	Like IFRS, internally generated goodwill, research costs, costs to develop customer lists, start-up costs, and expenditure incurred on training, advertising and promotional activities or on relocation or reorganisation are not allowed to be recognised on the balance sheet under Dutch GAAP.
References: IAS 38	**References:** RJ 210

3.3 Investment property

IFRS	Dutch GAAP
Investment property is property (land and building) held to earn rentals or for capital appreciation or both.	Like IFRS, investment property is property held to earn rentals or for capital appreciation or both.
Investment property accounting is required for all investment property.	While generally investment property accounting is required for all investment property, unlike IFRS, for certain industries, specific standards prevail over this standard. These specific standards however fall outside the scope of this publication.
Property held by a lessee under an operating lease may be classified as investment property if the rest of the definition of investment property is met and the lessee measures all of its investment property at fair value.	Like IFRS, property held by a lessee under an operating lease may be classified as investment property if the rest of the definition of investment property is met and the lessee measures all of its investment property at fair value.
A portion of a dual-use property is classified as investment property only if the portion could be sold or leased out under a finance lease. Otherwise, the entire property is classified as property, plant and equipment, unless the portion of the property used for own use is insignificant.	Like IFRS, a portion of a dual-use property is classified as investment property only if the portion could be sold or leased out under a finance lease. Otherwise, the entire property is classified as property, plant and equipment, unless the portion of the property used for own use is insignificant.
Investment property is recognised initially at cost.	Like IFRS, investment property is recognised initially at cost.
Subsequent expenditure is capitalised only when it is probable that future economic benefits will flow to	Like IFRS, subsequent expenditure is capitalised only when it is probable that future economic benefits will flow to the

the entity, including when the costs are for replacing a component of the item.	entity, including when the costs are for replacing a component of the item.
Subsequent to initial recognition, all investment property should be measured using either the fair value model (subject to limited exceptions) or the cost model. When the fair value model is chosen, changes in fair value are recognised in profit or loss.	Like IFRS, subsequent to initial recognition, all investment property should be measured using either the current (in effect fair) value model (subject to limited exceptions) or the cost model. Unlike IFRS, when the fair value model is chosen and changes in fair value are recognised in profit or loss, a revaluation reserve (which is a legal non-distributable reserve) is recognised for unrealised increases in fair value, either as an appropriation of results or directly from other reserves (distributable reserves).
Disclosure of the fair value of all investment properties is required, regardless of the measurement model used.	Like IFRS, disclosure of the fair value of all investment properties is required, regardless of the measurement model used.
Transfers to or from investment property are made when and only when property meets or ceases the definition of investment property and there is evidence of the change in use. A change in management's intention alone does not provide such evidence.	Like IFRS, transfers to or from investment property can be made only when there is evidence of change in the use of the property. A change in management's intention alone does not provide such evidence.
The gain or loss on disposal is the difference between the net disposal proceeds and the carrying amount of the property.	Like IFRS, the gain or loss on disposal is the difference between the net disposal proceeds and the carrying amount of the property.
References: IAS 40	**References:** RJ 213

3.4 Investments in associates and the equity method

IFRS	Dutch GAAP
The definition of an associate is based on the ability to exercise significant influence, which is the power to participate in the financial and operating policies of an entity, without having (joint) control over the entity.	Unlike IFRS, no equivalent term exists for 'associate'; rather, the description 'participating interests with significant influence' is used. Like IFRS, significant influence is the power to participate in the financial and operating policies of an entity.
There is a rebuttable presumption of significant influence if an entity holds 20 to 50 percent of the voting rights of another entity.	Like IFRS, there is a rebuttable presumption of significant influence if an entity holds 20 to 50 percent of the voting rights in another entity.
In determining applicability of the equity method, there are no special requirements for partnerships and similar entities.	Like IFRS, there are no special requirements for partnerships and similar entities.
Potential voting rights that are exercisable currently are taken into account in assessing significant influence.	Like IFRS, potential voting rights are considered when they are substantive.
Associates are accounted for using the equity method in the consolidated financial statements. The initial recognition is at cost. Subsequently, the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.	Like IFRS, participating interests with significant influence are accounted for using the net asset value method (equity method) in the consolidated financial statements. Unlike IFRS, in the net asset value method the goodwill component is presented separately under intangible fixed assets.
Venture capital investors and similar entities may elect not to apply the equity method for investments in associates and joint ventures and instead account for these investments as financial instruments at fair value through profit or loss. In addition, investment entities measure their investments in associates and joint ventures at fair value on an investment-by-investment basis.	Unlike IFRS, in exceptional circumstances an entity is allowed to account for its interest according to the equity as presented in the financial statements of the participating interest. Like IFRS, entities excluded from the net asset value method are treated as financial instruments (see chapter 6), i.e. investee in which the entity does not have significant influence (and no group company), an investee (meeting certain conditions) of a venture capital investor and an investee that is acquired with the view to its subsequent disposal.
Equity accounting is not applied to an investee that is classified as held-for-sale. See also paragraph 5.4.	Unlike IFRS, there is no specific guidance on accounting for investees that are held for sale. This means that the general measurement and presentation rules for investments in associates have to be applied.
In applying the equity method, an associate's accounting policies should be consistent with those of the investor.	Like IFRS, in applying the net asset value method, an associate's accounting policies should be consistent with those of the investor.
The reporting date of an associate may not differ from the investor's by more than three months, and should be consistent from period to period. Adjustments are made for the effects of significant events and transactions between the two dates.	Like IFRS, the reporting date of an associate may not differ from the investor's by more than three months, and should be consistent from period to period.

IFRS	Dutch GAAP
When an equity-accounted investee incurs losses, the carrying amount of the investor's interest is reduced, but not below zero. At that point, further losses are recognised by the investor only to the extent that the investor has an obligation to fund losses.	Like IFRS, when a participating interest accounted for under the net asset value method incurs losses, the carrying amount of the investor's interest is reduced, but not below zero. At that point, further losses are recognised by the investor only to the extent that the investor has an obligation to fund losses.
When recognising its share of losses, an investor considers not only equity investments but also other long-term interests that form part of the investor's net investment in the associate. Interests to be considered do not include trade receivables, trade payables or any long-term receivables for which adequate collateral exists (e.g. secured loans).	Like IFRS, when recognising its share of losses, an investor considers not only equity investments but also other long-term interests that form part of the investor's net investment in the participating interest. Interests to be considered do not include trade receivables, trade payables or any long-term receivables for which adequate collateral exists (e.g. secured loans).
Unrealised profits and losses on transactions with associates or joint ventures are eliminated to the extent of the investor's interest in the investee.	Unlike IFRS, there are detailed requirements for the treatment of upstream, downstream and sideways transactions between the investor and investee. These differ from the general requirements of IFRS.
If an entity contributes a controlling interest in a subsidiary in exchange for an interest in an equity-accounted investee, then the entity may choose either to recognise the gain or loss in full or to eliminate the gain or loss to the extent of the investor's interest in the investee.	Unlike IFRS, there is no specific guidance. Generally on the loss of control of a subsidiary, the retained interest is not remeasured at fair value. The gain or loss on disposal to be recognised in profit or loss is determined on the basis of a proportion of the carrying amount that is sold.
The carrying amount of an equity-accounted investee is written down if it is impaired.	Like IFRS, the carrying amount of a participating interest is written down if it is impaired.
On the loss of significant influence, the fair value of any retained investment is taken into account to calculate the gain or loss on the transaction, as if the investment were fully disposed of; this gain or loss is recognised in profit or loss. Amounts recognised in other comprehensive income (OCI) are reclassified or transferred as required by other IFRS.	Unlike IFRS, on the loss of significant influence, the most recent net asset value plus any proportional goodwill not yet amortised of any retained investment is the basis for the subsequent measurement of that retained investment. No fair value adjustment is recognised for the retained investment.
References: IAS 28, IFRS 5, IFRS 11	**References:** RJ 214, RJ 260

3.5 Joint arrangements

IFRS	Dutch GAAP
A joint arrangement is an arrangement over which two or more parties have joint control. There are two types of joint arrangements: a joint operation and a joint venture.	Unlike IFRS, Dutch GAAP does not define joint arrangements. However, it uses the term 'joint venture'.
In a joint operation, the parties to the arrangement have rights to the assets and obligations for the liabilities, related to the arrangement.	A joint venture is defined as an entity, asset or operation that is subject to contractually established joint control (which in substance is the same as a joint arrangement under IFRS).
A joint arrangement not structured through a separate vehicle is a joint operation. In a joint venture, the parties to the arrangement have rights to the net assets of the arrangement.	Joint ventures should be classified in one of the following categories: • Jointly controlled operations • Jointly controlled assets • Jointly controlled entities
A joint arrangement structured through a separate vehicle may be either a joint operation or a joint venture. Classification depends on the legal form of the vehicle, contractual arrangements and other facts and circumstances. Generally, a joint venturer accounts for its interest in a joint venture under the equity method.	Jointly controlled operations and assets are line-by-line accounted for. Jointly controlled entities may be accounted for either by proportionate consolidation or using the net asset value method (equity method). Unlike IFRS, the structure of the joint venture ('joint arrangement') – whether or not in the form of a separate vehicle/entity – is the main factor in determining the accounting under Dutch GAAP.
In relation to its involvement in a joint operation, a joint operator recognises its assets, liabilities and transactions, including its share in those arising jointly ('line-by-line' accounting). The joint operator accounts for each item in accordance with the relevant IFRS.	Unlike IFRS, separate vehicles at which the separation is overcome by form, contract or other facts and circumstances, fall in the category jointly controlled entities. Therefore, unlike IFRS, these vehicles/entities may be accounted for either using the net asset value method or by proportionate consolidation.
References: IFRS 11, IAS 28	**References:** RJ 214, RJ 215, RJ 217

3.6 Inventories

IFRS	Dutch GAAP
	See for biological assets (including agricultural inventory) paragraph 3.7.
Inventories generally are measured at the lower of cost and net realisable value.	Like IFRS, inventory is measured at the lower of cost and net realisable value.
Cost includes all direct expenditure to get inventory ready for sale, including attributable overheads and borrowing cost when inventory meets the criteria as a qualifying asset.	Like IFRS, cost includes all direct expenditure to get inventory ready for sale, although there is less guidance in this area. However, unlike IFRS, it is not mandatory to include attributable overhead, borrowing costs and other indirect costs in the cost of inventories.
Decommissioning and restoration costs incurred through the production of inventory are included in the cost of that inventory.	
The cost of inventory is recognised as an expense when the inventory is sold.	Like IFRS, the cost of inventory is recognised as an expense when the inventory is sold.
The amount to recognise as an expense must be determined using the specific identification, FIFO (first-in, first-out) or weighted average method.	
The use of the LIFO (last-in, first-out) method is prohibited.	Unlike IFRS, the LIFO method is permitted, but FIFO and weighted average methods are recommended, as an alternative to the specific identification. If the LIFO method is used, additional information about the current value of inventory should be disclosed in the notes.
Other cost formulas, such as the standard cost or retail method, may be used when the results approximate actual cost.	Like IFRS, other cost formulas, such as the standard cost or retail method, may be used when the results approximate actual cost. However, in practice the term 'retail method' has a different meaning to the term under IFRS.
The same cost formula is applied to all inventories having a similar nature and use to the entity.	Like IFRS, the same cost formula is applied to all inventories having a similar nature and use to the entity.
Inventory is written down to net realisable value when net realisable value is less than cost. Net realisable value is the estimated selling price less the estimated costs of completion and sale.	Like IFRS, inventory is written down to net realisable value when net realisable value is less than cost. Also is net realisable value is the estimated selling price less the estimated costs of completion and sale.
If the net realisable value of an item that has been previously written down subsequently increases, then the write-down is reversed.	Like IFRS, if the net realisable value of item that has been previously written down subsequently increases, then the write-down is reversed.
References: IAS 2	**References:** RJ 220

3.7 Biological assets

IFRS	Dutch GAAP
Biological assets are measured at fair value less costs to sell unless it is not possible to measure fair value reliably, in which case they are measured at cost.	Unlike IFRS, there is no specific guidance for biological assets other than for agricultural produce. Instead, the general requirements for inventory apply (see paragraph 3.6).
Agricultural produce harvested from a biological asset is measured at fair value less costs to sell at the point of harvest. After harvest, the inventories standard applies to the extent that agricultural produce are not measured at net realisable value in accordance with well-established industry practice.	Unlike IFRS, agricultural produce can be recognised at cost or net realisable value or fair value. Unlike IFRS, unrealised changes in fair value can be recognised directly in equity (revaluation reserve) or in the profit and loss account (only allowed when frequent market quotations are available). Realised revaluation reserve should be recognised in the profit and loss account as a separate item, when the related inventories are sold.
All gains and losses from changes in fair value or net realisable value are recognised in profit or loss.	If the decrease of the net realisable value exceeds the revaluation reserve, the excess is recognised in profit or loss.
References: IAS 2, IAS 41	**References:** CC, RJ 220

3.8 Impairment of non-financial assets

IFRS	Dutch GAAP
IAS 36 covers impairment of property, plant and equipment, goodwill, intangible assets and investments in subsidiaries, joint ventures and associates.	Like IFRS, RJ 121 covers the impairment of property, plant and equipment, goodwill, intangible assets and investments in subsidiaries, joint ventures and participating interests (associates).
Detailed impairment testing generally is required only when there is an indication of impairment.	Like IFRS, detailed impairment testing generally is required only when there is an indication of impairment.
Annual impairment testing is required for goodwill and intangible assets that either are not yet available for use or that have an indefinite useful life. This impairment test may be performed at any time during an annual reporting period, provided it is performed at the same time each year.	Unlike IFRS, annual impairment testing is required only for intangible assets (including goodwill) that either are not yet available for use or are amortised over more than 20 years. Unlike IFRS, the impairment test must be performed at the balance sheet date.
Depending on the specific asset and circumstances, assets are tested for impairment as an individual asset, as part of a cash generating unit (CGU) or as part of a group of CGUs. A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets.	Like IFRS, depending on the specific asset and circumstances, assets are tested for impairment as an individual asset, as part of a cash generating unit (CGU) or as part of a group of CGUs. A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets.
Whenever possible, an impairment test is performed for an individual asset. Otherwise, assets are tested for impairment in CGUs.	Like IFRS, whenever possible, an impairment test is performed for an individual asset. Otherwise, assets are tested for impairment in CGUs.
Goodwill is allocated to CGUs or group of CGUs that are expected to benefit from synergies of the business combination from which it arose. The allocation is based on the level at which goodwill is monitored internally, restricted by the size of the entity's operating segments.	Like IFRS, goodwill is allocated to CGUs or group of CGUs that are expected to benefit from synergies of the business combination from which it arose. The allocation is based on the level at which goodwill is monitored internally, restricted by the size of the entity's operating segments.
The carrying amount of goodwill is grossed up for impairment testing if it arose in a transaction in which NCI were measured initially based on their proportionate share of identifiable net assets.	Unlike IFRS, no prescription has been mentioned in impairment testing for NCI.
An impairment loss is recognised if an asset's or cash generating unit's (CGU) carrying amount exceeds the greater of its fair value less costs to sell and value-in-use, which is based on the net present value of future cash flows. The impairment loss is measured as the difference between the carrying amount of the asset, or CGU, and its recoverable amount.	Like IFRS, an impairment loss is recognised if an asset's or cash generating unit's (CGU) carrying amount exceeds the greater of its fair value less costs to sell and value-in-use, which is based on the net present value of future cash flows.
Estimates of future cash flows used in the value-in-use calculation are specific to the entity, and may not be the same as the market's assessment. Conversely, estimates of future cash flows used to estimate fair value less costs of disposal are consistent with those of a market participant. All cash flows used to estimate the recoverable amount are discounted to a present value.	Like IFRS, estimates of future cash flows used in the value-in-use calculation are specific to the entity, and may not be the same as the market's assessment.
The discount rate used in the value-in-use calculation is a pre-tax rate that reflects the risks specific to the asset.	Like IFRS, the discount rate used in the value-in-use calculation is a pre-tax rate that reflects the risks specific to the asset.
An impairment loss for a CGU is allocated first by writing down goodwill, then pro rata to other assets in the CGU.	Like IFRS, an impairment loss for a CGU is allocated first by writing down goodwill, then pro rata to other assets in the CGU.
An impairment loss on a revalued asset is charged directly to the revaluation reserve to the extent that it reverses a previous revaluation surplus relating to the same asset. Any excess is recognised in profit or loss.	Like IFRS, an impairment loss on a revalued asset is charged directly to the revaluation reserve to the extent that it reverses a previous revaluation surplus relating to the same asset. Any excess is recognised in profit or loss.
Reversals of impairment are recognised, other than for impairments of goodwill. A reversal of an impairment loss is recognised in profit or loss. An exception relates to assets revalued through OCI.	Like IFRS, reversals of impairment are recognised in profit or loss. However, unlike IFRS, reversals of impairment in respect of goodwill are allowed in exceptional circumstances.
References: IAS 36, IAS 38	**References:** RJ 121, RJ 210, RJ 212

3.9 Impairment of financial assets

IFRS	Dutch GAAP
A single set of impairments applies to all instruments that are not accounted for at fair value through profit or loss (FVTPL). Impairment testing of equity instruments is out of scope because these investments are either accounted for at FVTPL or fair value through other comprehensive income with no reclassification of any gains or losses to profit and loss. The impairment model comprises of the 12 months expected credit loss model or life time expected credit loss model. See under 6.6 for more information.	Entities are allowed to account for impairments on financial instruments based on the expected credit loss model (ECL) in accordance with IFRS 9 Financial instruments and IFRS 7 Financial instruments: Disclosures. A change in accounting policies as a result of the first-time adoption of the ECL model has to be accounted for as an accounting change in accordance with RJ 140 'Change in accounting policies', whereas although the comparatives do not have to be restated. The following guidance only applies if an entity does not adopt the ECL model. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the asset's initial recognition (a 'loss event'). The following are indicators of objective evidence of impairment (step 1): • Significant financial difficulty of the issuer • Payment defaults • Renegotiations of the terms of an asset due to financial difficulties of the borrower • Significant restructuring due to financial difficulty or expected bankruptcy • Disappearance of an active market for an asset due to financial difficulties • Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since their initial recognition, although the decrease cannot be identified with the individual assets in the group. An assessment for indicators of objective evidence that a financial asset measured at amortised cost is required at least at every reporting period. An impairment loss for financial assets measured at amortised cost is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate (step 2).
	For assets carried at amortised cost, impairment is measured based on incurred credit losses using the instrument's original effective interest rate. Unlike IFRS, for primary financial instruments valued at amortised cost and derivative financial assets valued at cost (see 6.0), RJ 290 allows an alternative for the 'two-step approach' under IFRS, that is, to value the instrument at 'cost-or-lower-market (fair) value'.
References: IFRS 9	**References:** RJ 212, RJ 252, RJ uiting 2017-16

3.10 Provisions

IFRS	Dutch GAAP
A provision is recognised on the basis of a legal or constructive obligation, if there is a probable outflow of resources and the amount can be estimated reliably. Probable means more likely than not.	Like IFRS, a provision is recognised on the basis of a legal or constructive obligation, if there is a probable outflow of resources and the amount can be estimated reliably.
A 'constructive obligation' arises when an entity's actions create valid expectations of third parties that the entity will accept and discharge certain responsibilities.	Like IFRS, a 'constructive obligation' arises when an entity's actions create valid expectations of third parties that the entity will accept and discharge certain responsibilities.
No provision may be recognised for future operating losses.	Like IFRS, no provision may be recognised for future operating losses.
A provision is measured at the best estimate of the anticipated outflow of resources.	Like IFRS, a provision is measured at the best estimate of the anticipated outflow of resources.
If there is a large population of items, then the obligation is generally measured at its expected value.	Like IFRS, if there is a large population of items, then the obligation is generally measured at its expected value.
If there is a continuous range of equally possible outcomes for a single event, then the obligation is measured at the mid-point in the range.	Like IFRS, if there is a continuous range of equally possible outcomes for a single event, then the obligation is measured at the mid-point in the range.
If the possible outcomes of a single obligation are mostly higher (lower) than the single most likely outcome, then the obligation is measured at an amount higher (lower) than the single most likely outcome.	Like IFRS, if the possible outcomes of a single obligation are mostly higher (lower) than the single most likely outcome, then the obligation is measured at an amount higher (lower) than the single most likely outcome.
Provisions are discounted if the effect of discounting is material.	Unlike IFRS, the discounting of provisions is not required but is an accounting policy choice.

A reimbursement right is recognised as a separate asset when recovery is virtually certain, capped at the amount of the related provision.	Like IFRS, a reimbursement right is recognised as a separate asset. Unlike IFRS, the recognition threshold is 'more likely than not' instead of 'virtually certain'. Like IFRS, this is capped at the amount of the related provision.
A provision for restructuring is not recognised until there is a formal plan and details of the restructuring have been communicated to those affected by the plan.	Like IFRS, a provision for restructuring costs is not recognised until there is a formal plan and details of the restructuring have been communicated to those affected by the plan. Unlike IFRS, the communication criterion may be met after the balance sheet date but before the financial statements are prepared (authorised for issue).
Provisions for repairs and maintenance or self-insurance are prohibited.	Like IFRS, provisions for self-insurance are prohibited. Unlike IFRS, provisions for periodic maintenance and major overhauls are allowed.
A provision is recognised for a contract that is onerous (i.e. one in which the costs of meeting the obligations under the contract exceed the benefits to be derived).	Like IFRS, a provision is recognised for a contract that is onerous.
References: IAS 16, IAS 37, IFRS 15	**References:** RJ 212, RJ 252

3.11 Contingent assets and liabilities

IFRS	Dutch GAAP
Contingent liabilities are obligations that generally are not recognised in the balance sheet due to uncertainties about either the probability of outflows of resources or about the amount of the outflows, or possible obligations when the existence of an obligation is uncertain.	Like IFRS, contingent liabilities are obligations that generally are not recognised in the balance sheet due to uncertainties about either the probability of outflows of resources or about the amount of the outflows or possible obligations, when the existence of an obligation is uncertain. However, unlike IFRS, long-term obligations that are equally undelivered (e.g. executory contracts) also are contingent liabilities.
Contingent liabilities are not recognised except for those that represent present obligations in a business combination.	Unlike IFRS, contingent liabilities are not recognised in a business combination, as such contingencies do not meet the general criteria for recognition as a liability.
Details of contingent liabilities are disclosed in the notes to the financial statements, unless the probability of an outflow is remote or in rare cases when disclosure could seriously prejudice the entity's position in a dispute with another party.	Like IFRS, details of contingent liabilities are disclosed in the notes to the financial statements, unless the probability of an outflow is remote or in rare cases when disclosure could seriously prejudice the entity's position in a dispute with another party.
Contingent assets are possible assets whose existence is uncertain.	Like IFRS, contingent assets are defined as possible assets arising from past events whose existence is uncertain. However, unlike IFRS, the definition also includes assets that cannot be estimated reliably, or those where it is not probable that the related future economic benefits will flow to the entity.
Contingent assets are not recognised in the balance sheet unless their realisation is virtually certain. If an inflow of economic benefits is probable, details are disclosed in the notes to the financial statements. Contingent liabilities assumed in a business combination are recognised if their fair value is reliably measurable.	Like IFRS, contingent assets are not recognised in the balance sheet unless their realisation is virtually certain. Unlike IFRS, disclosure may be omitted if it is impracticable to make an estimate even if existence is probable.
References: IFRS 3, IAS 37	**References:** RJ 216, RJ 252

3.12 Deferred tax

IFRS	Dutch GAAP
Deferred tax liabilities (assets) are recognised for the estimated future tax effects of temporary differences and tax loss carry-forwards and unused tax credit carried forward.	Like IFRS, deferred tax liabilities and assets are recognised for the estimated future tax effects of temporary differences, tax loss carry-forwards and unused tax credit carried forward.
A temporary difference is the difference between the tax base of an asset or liability and its carrying amount in the financial statements.	Like IFRS, a temporary difference is the difference between the tax base of an asset or liability and its carrying amount in the financial statements.
A deferred tax liability (asset) is recognised unless it arises from: • the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit; • the initial recognition of goodwill; or • post-acquisition adjustments of goodwill for which amortisation is not tax deductible.	The recognition criteria and exemptions of deferred tax liabilities (assets) are in line with those of IFRS. However, unlike IFRS, there is no initial recognition exemption for goodwill. Furthermore, unlike IFRS, when a non-monetary asset is revalued it is only highly recommended to recognise a deferred tax liability.
A deferred tax liability is recognised for post-acquisition adjustment of goodwill for which amortisation is tax deductible.	Unlike IFRS, there is no specific guidance on the recognition of deferred tax liabilities for post-acquisition adjustments of goodwill for which amortisation is tax deductible. However, as the main principle is to be applied, this will not result in differences with IFRS.
Deferred tax assets and liabilities are not recognised in respect of investments in subsidiaries, associates and joint ventures if certain conditions are met.	Like IFRS, deferred tax assets and liabilities are not recognised in respect of investments in subsidiaries, participating interests (associates) and joint ventures if certain conditions are met.
A deferred tax asset is recognised to the extent that it is probable that it will be realised – i.e. a net approach.	Like IFRS, a deferred tax asset is recognised to the extent that it is probable that it will be realised – i.e. a net approach.
The measurement of deferred tax is based on the expected manner of settlement (liability) or recovery (asset).	Like IFRS, the measurement of deferred tax is based on the expected manner of settlement (liability) or recovery (asset).
Deferred tax assets recognised in relation to share-based payment arrangements are adjusted each period to reflect the amount of tax deduction that the entity would receive if the award were tax-deductible in the current period based on the current market price of the shares.	Unlike IFRS, Dutch GAAP has no specific guidance related to this matter; the general provisions of the income taxes standard apply.
Deferred tax is measured on an undiscounted basis.	Unlike IFRS, deferred tax can be measured either on a discounted or on an undiscounted basis. Discounting is based on the entity-specific post-tax interest rate for long-term liabilities.
A deferred tax liability (asset) is recognised for the step-up in tax bases as a result of an intra-group transfer of assets between jurisdictions. Additionally, the current tax effects for the seller are recognised in the current tax provision.	Unlike IFRS, there is no specific guidance regarding the tax rate at which deferred taxes arising from intragroup transactions should be recognised. However, as the main principle is to be applied, this will not result in differences with IFRS.
A deferred tax liability (asset) is recognised for exchange gains and losses related to foreign non-monetary assets and liabilities that are remeasured into the functional currency using historical exchange rates or indexing for tax purposes.	Like IFRS, when a non-monetary asset is revalued, it is highly recommended to recognise a deferred tax liability.
Deferred tax is not recognised in respect of investments in subsidiaries, associates and joint arrangements (both foreign and domestic) if certain criteria are met.	Like IFRS, deferred tax assets and liabilities are not recognised in respect of investments in subsidiaries, participating interests and joint ventures, if certain conditions are met.
Deferred tax is classified as non-current in a classified balance sheet.	Unlike IFRS, the general classification rules for current / non-current assets apply to deferred tax assets; therefore a portion of a deferred tax asset may be classified as current. Unlike IFRS, deferred tax liabilities are classified as a separate class of provisions within liabilities, for which the current/non-current distinction is not applicable.
Deferred tax relating to items charged or credited directly to equity is itself charged or credited directly to equity.	Like IFRS, deferred tax relating to items charged or credited directly to equity is itself charged or credited directly to equity.
Deferred tax is measured based on enacted or substantively enacted tax rates.	Like IFRS, deferred tax is measured based on enacted or substantively enacted tax rates.
Taxes payable on distributions are recognised at the same time as the distribution.	Like IFRS, taxes payable on distributions are recognised at the same time as the distribution.
Deferred tax liabilities and assets are offset if the entity has a legally enforceable right to set off current tax liabilities and assets, and the deferred tax liabilities and assets relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities that intend to settle current taxes on a net basis or their tax assets and liabilities will be realised simultaneously.	Unlike IFRS, the entity must have also a firm intention to settle the deferred tax liabilities and assets simultaneously, in order to offset. The DASB has proposed to bring the offset rules in line with IFRS, this will probably become effective from annual periods starting on or after 1 January 2020.
References: IAS 12	**References:** RJ 272

4 Specific Income statement items

4.1 Revenue

IFRS	Dutch GAAP
IFRS 15 (Revenue from Contracts with Customers) is effective for annual periods beginning on or after 1 January 2018. IFRS 15 replaces the old standards IAS 11 (construction contracts) and IAS 18 (Revenue).	The current accounting guidance (RJ 221 and 270) is based on the former IFRS standards for revenue (IAS 11 and IAS 18). Note that the DASB allows legal entities under Dutch GAAP to apply IFRS 15 for revenues and related costs effective from annual periods starting on or after 1 January 2018. Earlier application is permitted. However, following differences are still relevant, if the option to apply IFRS 15 has not been opted under Dutch GAAP.
A five-step model is used to implement the core principle that is used to determine when to recognise revenue, and at what amount. Compared to the previous standards, IFRS 15 contains detailed application guidance and working examples.	Unlike IFRS, revenue recognition is mainly based on general principles that are applied to different types of transactions. Dutch GAAP has less detailed application guidance and working examples compared to IFRS 15.
Under Step 1 (identify the contract), an entity accounts for a contract under the model when it is legally enforceable and specific criteria are met. These criteria include that collection of consideration is 'probable', which means 'more likely than not'.	Unlike IFRS, revenue recognition focuses on transactions and events involving the sale of goods and the rendering of services instead of arising from contracts with customers. There is no guidance on how transactions should be distinguished or combined.
Under Step 2 (identify the performance obligations in the contract), an entity breaks down the contract into one or more distinct performance obligations.	Unlike IFRS, there is little guidance on multiple element revenue recognition i.e. identifying and assigning revenue to separate deliverables (separately identifiable components in a single or combined transaction).
Under Step 3 (determine the transaction price), an entity determines the amount of consideration to which it expects to be entitled in exchange for transferring goods or services to a customer.	Unlike IFRS, revenue is measured at the fair value of the consideration received or receivable.
Consideration includes an estimate of variable consideration to the extent that it is 'highly probable' that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.	Unlike IFRS, an entity recognises revenue only if it can estimate the amount reliably. Therefore uncertainty over the outcome may preclude revenue recognition instead of limiting the amount which determines the transaction prices as defined by IFRS ('the constrain of variable consideration').
A non-cash consideration received from a customer is measured at fair value. If an entity cannot make a reasonable estimate of the fair value, then it refers to the estimated selling price of the promised goods or services.	Like IFRS, non-cash consideration is measured at fair value. Unlike IFRS, when the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by any cash transferred.
	However, unlike IFRS, when goods or services are received in exchange for similar goods or services in nature and value, the transaction does not generate revenue.
Under Step 4 (allocate the transaction price to the performance obligations in the contract) an entity generally allocates the transaction price to each performance obligation in proportion of its stand-alone selling price.	If multiple elements are identified, the consideration is generally allocated to the elements as follows: • components with reference to the relative fair values of the different components (relative fair value method); or • the undelivered components measured at their fair value, with the remainder of the balance allocated to components that were delivered up-front (residual method).
Under Step 5 (recognise revenue) an entity recognises revenue when or as it satisfies the performance obligation by transferring a good or service to a customer, either at a point in time or over time. A good or service is transferred when or as the customer obtains control of it.	Unlike IFRS, revenue from the sale of goods is recognised when the entity has transferred significant risks and rewards of ownership to the buyer. Under this approach revenue is typically recognised at a point in time when risks and rewards pass rather than when control transfers. Unlike IFRS, no specific criteria for over time revenue recognition exist. Revenue from rendering of services and construction contracts is recognised in the period that the service is rendered by reference to the stage-of-completion.
An entity generally capitalises incremental costs to obtain a contract with a customer if it expects to recover those costs. An entity capitalises costs of fulfilling a contract if certain criteria are met. An impairment loss recognised in respect of capitalised costs is reversed if the carrying amount is no longer impaired.	Like IFRS, an entity capitalises costs for obtaining and fulfilling a contract when certain criteria are met. These costs should also directly relate to the contract. Unlike IFRS, no specific guidance on costs to obtain a contract exists.
A contract modification is accounted for prospectively or using a cumulative catch-up adjustment depending on whether the modification results in additional goods or services that are 'distinct'.	Specific requirements exist in RJ 221 for the inclusion of claims and contract changes in contract revenue. Like IFRS, when a claim or a change arises, the entity revises its measure of contract progress and/or contract price (i.e. reassesses the cumulative contract position), which effectively results in a true-up. Conversely, if an entity enters into a new construction contract that does not meet the contract combination criteria in RJ 221, the entity accounts for the new construction contract as a separate contract. This outcome adds a distinct good or service, similar to IFRS.

IFRS includes guidance on separating a license of IP (i.e. software) from other components of an arrangement in order to determine whether it is distinct or not. If a license of IP is distinct from other goods or services in the contract a separate performance obligation exists for which revenue can be recognised at a point or over time.	Unlike IFRS, licence fees and royalties are recognised based on the substance of the agreement. This can result in licence fee and royalties being recognised on an accrual basis, generally on a straight-line basis over the period of the agreement. In other cases, the transfer of rights is in-substance a sale for which the entity recognises revenue when the conditions for sale of goods are met.
If the entity is a principal, then revenue is recognised on a gross basis – corresponding to the consideration to which the entity expects to be entitled. If the entity is an agent, then revenue is recognised on a net basis – corresponding to any fee or commission to which the entity expects to be entitled.	Like IFRS, revenue includes the total inflows of economic benefits received by an entity in its own account, and in an agency relationship, amounts collected on behalf of the principal are not recognised as revenue by the agent. Unlike IFRS, the assessment whether the entity is acting as an agent or principal is based on the risk-and-rewards approach instead of the transfer-of-control approach used under IFRS.
An entity presents a contract liability or contract asset in its statement of financial position when either party to the contract has performed. Any unconditional rights are presented separately as a receivable.	Like IFRS, a contract liability and asset are presented in the financial statements.
The new standard contains extensive disclosure requirements designed to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. There are no exemptions from these disclosure requirements.	Unlike IFRS, disclosure requirements are less extensive and mainly include a split of type of revenue (sale of goods, rendering of services, interest, royalties and dividends).
References: IFRS 15	**References:** CC, RJ 110, RJ 135, RJ 221, RJ 270, RJ 292, RJ-Uiting 2017-9, RJ-Uiting 2018-6

4.2 Government grants

IFRS	Dutch GAAP
Government grants are recognised when there is reasonable assurance that the entity will comply with the relevant conditions and the grant will be received.	Like IFRS, government grants are recognised when there is a reasonable assurance that the entity will comply with the relevant conditions and the grant will be received.
Unconditional government grants relating to biological assets measured at fair value less cost to sell are recognised in profit or loss when they are receivable. Conditional grants for such assets are recognised in profit or loss when the required conditions are met.	Unlike IFRS, no specific guidance is available for government grants relating to biological assets. They are accounted for under the general requirements for government grants.
Other government grants are recognised in profit or loss, so as to match the costs that they are intended to compensate.	Like IFRS, in principle government grants are recognised in profit or loss, so as to match the costs that they are intended to compensate. However, unlike IFRS, more detailed guidance is provided for different categories of government grants.
Government grants that relate to the acquisition of an asset may be recognised either as a reduction in the cost of the asset or as deferred income that is amortised as the related asset is depreciated or amortised.	Like IFRS, government grants that relate to the acquisition of an asset may be recognised either as a reduction in the cost of the asset or as deferred income that is amortised as the related asset is depreciated or amortised.
If a government grant is in the form of a non-monetary asset, then both the asset and the grant are recognised either at the fair value of the non-monetary asset or at a nominal amount.	Unlike IFRS, there is no specific guidance for government grants in the form of a non-monetary asset. However, transactions shall be reflected in accordance with the economic reality (economic substance).
For government loans with a below market rate of interest or interest-free, interest is imputed on these loans.	Like IFRS, interest is imputed on low-interest or interest-free loans from a government.
References: IAS 20, SIC–10	**References:** RJ 274

4.3 Employee benefits

IFRS	Dutch GAAP
	General – the Dutch pension accounting rules fundamentally differ from IAS 19. However, there is an option to apply the full requirements of IAS 19 to all pension plans or only to foreign pension plans that are not comparable with the Dutch pension plans.
IFRS specify accounting requirements for all types of employee benefits, and not just pensions. Liabilities for employee benefits are recognised on the basis of a legal or constructive obligation.	Like IFRS, accounting requirements are specified for all types of employee benefits, and not just pensions. Like IFRS, liabilities for employee benefits are recognised on the basis of a legal or constructive obligation.
Liabilities and expenses for employee benefits generally are recognised in the period in which the services are rendered.	Like IFRS, liabilities and expenses for employee benefits generally are recognised in the period in which the services are rendered.
A defined contribution plan is a post-employment benefit plan under which the employer pays fixed contributions into a separate entity and has no further obligations. All other post-employment plans are defined benefit plans. Contributions to a defined contribution plan are expensed as the obligation to make the payments is incurred. If insufficient information is available for a multi-employer defined benefit plan to be accounted for as a defined benefit plan, then it is treated as a defined contribution plan and additional disclosures are required. A liability is recognised for an employer's obligation under a defined benefit plan. The liability and expense are measured actuarially using the projected unit credit method. The fair value of any qualifying plan assets of defined benefit plans, including qualifying insurance policies, are offset against the obligation. If a defined benefit plan is in surplus, then the amount of any net asset is recognised is the lower of the surplus or the present value of any available economic benefits from the plan in the form of refunds from the plan or the reductions in future contributions to the plan (the 'asset ceiling'). The expense for long-term employee benefits is accrued over the service period. Actuarial gains or losses of defined benefit plans are recognised immediately in other comprehensive income (OCI). 'Corridor approach' is not allowed under IFRS. All past service costs of defined benefit plans, included unvested amounts, are recognised immediately in profit or loss.	Unlike IFRS (which incorporates the concept of matching), Dutch GAAP is based on a 'liability- approach'. Under Dutch GAAP contributions are expensed as the obligation to make the payments is incurred. However, if an employer has an additional (legal or constructive) obligation to pay further contributions, for example, to fund deficits or to pay for unconditional indexation, a liability for that obligation should be recognised on the balance sheet. This liability is measured at the best estimate of the outflow of resources to settle the obligation and all changes are recognised in the income statement. There are no specific rules for employer plans, multi-employer plans and insured benefit plans, although the occurrence of an additional liability differs between those plans. Consequently, unlike IFRS, Dutch GAAP does not distinct between defined contribution plans and defined benefit plans. However, if there is no additional obligation, accounting for the pension plan is similar to the IFRS accounting of defined contribution plans. Dutch GAAP however provides two options to consistently apply the full requirements of IAS 19 for the accounting of pension plans to: • all pension plans of the company; or • (only) the foreign pension plans that are not comparable with Dutch pension plans. Unlike IFRS, in the aforementioned two situations, it is also allowed to apply US GAAP pension accounting rules instead of IFRS.
Curtailments and other plan amendments are recognised at the same time as a related restructuring or related termination benefits when those occur before the curtailments or other plan amendments occur.	
An entity recognises a liability and an expense for termination benefits at the earlier of: • when it recognises costs for a restructuring within the scope of the provisions standard that includes the payment of termination benefits; and • when it can no longer withdraw the offer of those benefits.	Unlike IFRS, Dutch GAAP provides special rules for the accounting of employee non-activity arrangements (such as pre-pension schemes). A liability should be recognised, measured at the best estimate of the outflow of resources. Under IFRS, these schemes – and therefore the accounting - fall in the category of post-employment benefits.
Redundancy costs are not recognised until the redundancy has been communicated to affected employees.	Like IFRS, redundancy costs (termination benefits) are not recognised until the redundancy has been communicated to affected employees. However, unlike IFRS, a liability may be recognised (accounting policy choice) if the communication occurs after the balance sheet date but before the financial statements are prepared (authorised for issue).
References: IAS 19	**References:** RJ 271

4.4 Share-based payments

IFRS	Dutch GAAP
	General – note that Dutch GAAP (RJ 275) is to a large extent in line with IFRS 2, but provides less detailed guidance and contains an additional measurement alternative.
Goods or services received in a share-based payment transaction should be measured at fair value. An intrinsic value is permitted only in the rare circumstance that the fair value of the equity instrument cannot be estimated reliably.	Unlike IFRS, Dutch GAAP provides an accounting policy choice for the measurement of the services received in employee share-based plans: (a) fair value of the award or (b) intrinsic value of the reward.
Goods are recognised when they are obtained and services are recognised over the period that they are received.	Like IFRS, goods should be recognised when they are obtained and services recognised over the period they are received.
Equity-settled grants to employees generally are measured based on the fair value of the instruments (e.g., options) issued at the grant date.	Like IFRS, equity-settled grants to employees generally are measured based on the value of the instruments (e.g. options) issued at grant date. However, as stated, unlike IFRS, this value could be intrinsic value or fair value. Like IFRS, equity-settled share option grants to employees are not remeasured for subsequent changes in value.
'Grant date' is the date on which the entity and the employee have a shared understanding of the terms and conditions of the arrangement.	The grant date is interpreted similarly like IFRS.
Market conditions for equity settled transactions are reflected in the initial measurement of fair value. There is no true-up if the expected and actual outcomes differ because of market conditions.	Like IFRS, market conditions for equity settled transactions are reflected in the initial measurement of fair value. There is no true-up if the expected and actual outcomes differ because of market conditions.
Like market conditions, non-vesting conditions are reflected in the initial measurement of fair value and there is no subsequent true-up for differences between the expected and the actual outcome.	Unlike IFRS, non-vesting conditions are not separately distinguished and might be accounted for as non-market based performance conditions in some cases.
Service and non-market performance conditions for equity settled transactions are not reflected in the initial measurement of fair value, but are considered in estimating the number of instruments that are expected to vest. Initial estimates of the number of equity-settled instruments that are expected to vest are adjusted to current estimates and ultimately to the actual number of equity- settled instruments that vest unless differences are due to market conditions.	Like IFRS, changes in non-market based conditions ('performance-related') are not taken into account in the value at grant date, but instead lead to changes in the estimate of the number of options that will vest (forfeitures). Like IFRS, estimates of the number of equity-settled instruments that vest are adjusted to the actual numbers that vest unless forfeitures are due to market-based ('price-related') conditions. Changes in market-based conditions are included in the value of, for example, the option at grant date.
Modification of an equity-settled share-based payment results in the recognition of any incremental fair value but not in any reduction in fair value. Replacements are accounted for as modifications.	Like IFRS, modification of an equity-settled share-based payment results in the recognition of any incremental fair value but not in any reduction in fair value. Replacements are accounted for as modifications.
For equity-settled transactions an entity recognises a corresponding increase in equity. The cost is recognised as an expense unless it qualifies for recognition as an asset.	Like IFRS, for equity-settled transactions an entity recognises a corresponding increase in equity. The cost is recognised as an expense unless it qualifies for recognition as an asset.
For cash-settled transactions, an entity recognises a cost and a corresponding liability. The cost is recognised as an expense unless it qualifies for recognition as an asset.	Like IFRS, for cash-settled transactions, an entity recognises a cost and a corresponding liability. The cost is recognised as an expense unless it qualifies for recognition as an asset. However, unlike IFRS, the value of the liability depends on the measurement option chosen (fair value versus intrinsic value).
Cash-settled transactions are remeasured at each balance sheet date and at the settlement date for subsequent changes in the fair value of liability. The remeasurements are recognised in profit or loss.	Like IFRS, cash-settled transactions are remeasured at each balance sheet date and at the settlement date for subsequent changes in the fair value of liability. The remeasurements are recognised in profit or loss.
Cancellation of a share-based payment results in accelerated recognition of any unrecognised cost.	Like IFRS, cancellation of a share-based payment results in accelerated recognition of any unrecognised cost.
Classification of grants in which the entity has the choice of equity or cash settlement depends on whether the entity has the ability and intent to settle in shares.	Like IFRS, classification of grants in which the entity has the choice of equity or cash settlement depends on whether the entity has the ability and intent to settle in shares.
Grants in which the employee has the choice of equity or cash settlement are accounted for as compound instruments. Therefore, the entity accounts for a liability component and an equity component separately.	Unlike IFRS, grants in which the employee has the choice of equity or cash settlement can be treated as a compound instrument or a cash settled transaction.
Equity settled transactions with non-employees are generally measured based on the fair value of the goods or services obtained. The measurement date is the date on which the goods or services are received, which means that there may be multiple measurement dates.	Like IFRS, share-based payments to non-employees are measured based on the fair value of the goods and services received, unless the fair value cannot be measured reliably.
Awards with graded vesting, for which the only vesting condition is service, are accounted for as separate share-based payment arrangements.	Unlike IFRS, Dutch GAAP does not contain stipulations about the accounting for awards with graded vesting for which the only condition is service. In our view, treatment comparable to IFRS 2 seems acceptable.
There is specific guidance on group share-based payment arrangements, which are accounted for in each group entity's financial statements based on their own perspectives.	Unlike IFRS, Dutch GAAP does not contain stipulations about the accounting of group share-based payments. In our view, treatment comparable to IFRS 2 is acceptable.
References: IFRS 2	**References:** RJ 271, RJ 275

4.5 Financial income and expense

IFRS	Dutch GAAP
Interest income and expense is calculated using the effective interest method.	Like IFRS, interest income and expense should be calculated using the effective interest method.
Dividends on shares classified as liabilities are reported as a financial expense and not a dividend distribution.	Like IFRS, dividends on shares classified as liabilities are reported as a financial expense and not as a dividend distribution.
Incremental transaction costs directly related to raising finance or acquiring a financial asset are included in the initial measurement of the instrument unless the instrument is categorised as a financial asset or liability at fair value through profit or loss. Interest generally is expensed as incurred.	Like IFRS, incremental transaction costs directly related to raising finance or acquiring a financial asset are included in the initial measurement of the instrument. Like IFRS, transactions costs related to financial instruments that are measured at fair value through profit or loss should be recognised directly in profit or loss.
Interest related to qualifying assets shall be capitalised if certain conditions are met.	Unlike IFRS, interest related to qualifying assets may be capitalised if certain conditions are met, but such capitalisation is not required.
Interest on both general borrowings and specific borrowings is eligible for capitalisation. The amount capitalised is net of investment income on the temporary investment of specific borrowings.	Like IFRS, interest on both general borrowings and on specific borrowings is eligible for capitalisation. The amount capitalised is net of investment income on the temporary investment of specific borrowings.
References: IAS 18, IAS 23, IAS 39	**References:** RJ 270, RJ 273, RJ 290

4.6 Income tax (current tax)

IFRS	Dutch GAAP
'Income taxes' are taxes based on taxable profits, and taxes that are payable by a subsidiary, associate or joint arrangement on distribution to the reporting entity (e.g. withholding taxes).	Like IFRS, 'Income taxes' are taxes based on taxable profits, and taxes that are payable by a subsidiary, associate or joint venture on distribution to the reporting entity (e.g. withholding taxes).
The total income tax expense recognised in profit or loss is the sum of current tax expense (or recovery) plus the change in deferred tax liabilities and assets during the period, net of tax amounts recognised directly in equity or arising from a business combination.	Like IFRS, the total income tax expense recognised in profit or loss is the sum of current tax expense (or recovery) plus the change in deferred tax liabilities and assets during the period, net of tax amounts recognised directly in equity or arising from a business combination.
Income tax relating to items recognised outside profit or loss, in the current or a previous period, is itself recognised outside profit or loss.	Like IFRS, income tax relating to items recognised outside profit or loss, in the current or previous periods, is recognised outside profit or loss
Current tax represents the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.	Like IFRS, current tax represents the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.
The measurement of current tax is based on rates that are enacted or substantively enacted at the balance sheet date.	Like IFRS, the measurement of current tax is based on rates that are enacted or substantively enacted at the balance sheet date.
Current tax assets and liabilities are offset only if there is a legally enforceable right to set off and the entity intends to offset or to settle simultaneously.	Like IFRS, current tax assets and liabilities are offset only if there is a legally enforceable right to set off and the entity intends to offset or to settle simultaneously.
Currently IFRS does not include specific guidance on income tax exposures. The general provisions of the income taxes standard apply.	Like IFRS, no specific guidance is included in Dutch GAAP. The general provisions of the income taxes standard apply.
Note: A new interpretation on accounting for uncertain income tax treatments (IFRIC 23) is effective for annual periods beginning on or after 1 January 2019; earlier application is permitted.	Dutch Accounting Standard paragraph 272.402a provides guidance on how to treat uncertain tax positions under Dutch GAAP. Currently the paragraph is still in draft (''ontwerprichtlijn'').
If the tax authority is likely to accept the entity's tax treatment, then the current and deferred taxes are measured consistently with the tax treatment in the income tax filing, Otherwise, the effect of the tax uncertainty is reflected in determining the related taxable profit, tax bases, unused tax losses, unused tax credits and tax rates. To do so, the entity uses either the most likely amount or the expected value method – whichever better predicts the resolution of the uncertainty.	Like IFRS, If the tax authority is likely to accept the entity's tax treatment, then the current and deferred taxes are measured consistently with the tax treatment in the income tax filing, Otherwise, the effect of the tax uncertainty is reflected in determining the related taxable profit, tax bases, unused tax losses, unused tax credits and tax rates, using the best estimate. Like IFRS, the entity presumes that the tax authorities possess all relevant information and detection risk is not considered.
References: IAS 12	**References:** RJ 272

5 Special topics

5.1 Leases (current guidance IAS 17)

IFRS	Dutch GAAP
	General - note that Dutch GAAP (RJ 292) is to a large extent in line with IAS 17.
A lease is classified as either a finance lease or operating lease. In respect of lessors, there is sub-category of finance lease for manufacturers or dealer lessors.	Like IFRS, a lease is classified as either a finance lease or operating lease. In respect of lessors, there is sub-category of finance lease for manufacturers or dealer lessors.
The leasing guidance applies to property, plant and equipment and other assets, with limited exclusions.	Like IFRS, the leasing guidance applies to property, plant and equipment and other assets, with limited exclusions.
Lease classification depends on whether substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred from the lessor to the lessee.	Like IFRS, lease classification depends on whether substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred from the lessor to the lessee. Unlike IFRS, the Dutch accounting rules contain quantitative indicators for classification purposes.
Lease classification is made at inception of the lease and is not revised unless the lease agreement is modified.	Like IFRS, the lease classification is made at inception of the lease and is not revised unless the lease agreement is modified.
Under finance lease, the lessor derecognises the leased asset, if previously the asset was recognised, and recognises a finance lease receivable. The lessee recognises the leased asset and a liability for future lease payments. Finance income and expenses are recognised to reflect a constant rate of return on the unpaid balance.	Like IFRS, under a finance lease, the lessor derecognises the leased asset, if previously the asset was recognised, and the lessor recognises a finance lease receivable. The lessee recognises the leased asset and a liability for future lease payments. Finance income and expenses are recognised to reflect a constant rate of return on the unpaid balance.
Under an operating lease, both parties treat the lease as an executory contract. The lease does not result in derecognition of the asset by the lessor and the lessee recognises an expense for the lease payments over the lease term.	Like IFRS, under an operating lease, both parties treat the lease as an executory contract. The lease does not result in derecognition of the asset by the lessor and the lessee recognises an expense for the lease payments over the lease term.
A lessee may classify a property interest held under an operating lease as an investment property. In this case, that interest is accounted for as if it were a finance lease.	Like IFRS, a property interest held under an operating lease may classify as an investment property. Like IFRS, this interest is accounted for as if it were a finance lease.
Lessors and lessees recognise incentives granted under an operating lease as a reduction in lease rental income or expense over the lease term.	Like IFRS, lessors and lessees recognise incentives granted under an operating lease as a reduction in lease rental income or expense over the lease term.
In determining whether a lease of land is a finance lease or an operating lease, an important consideration is that land normally has an indefinite economic life. However, the other classification requirements also need to be considered.	Unlike IFRS, a lease of land is generally classified as an operating lease if that land has an indefinite economic life.
A single lease of land and a building should be treated as separate leases of land and of the building and the two leases may be classified differently.	Like IFRS, a lease of land and a building should be separated into two leases and the two leases may be classified differently.
Immediate gain recognition from the sale and leaseback of an asset depends on whether the leaseback is classified as finance or an operating lease and, if the leaseback is an operating lease, whether the sale takes place at fair value.	Like IFRS, immediate gain recognition from the sale and leaseback of an asset is dependent upon whether the leaseback is classified as finance or an operating lease and, if the leaseback is an operating lease, whether the sale takes place at fair value.
If the terms of the lease are modified other than by renewing the lease, then the modified agreement may have to be treated as a new lease agreement and may have to be reassessed.	Unlike IFRS, there is no specific guidance on accounting for lease modifications by lessees and lessors.
A series of linked transactions in the legal form of a lease should be accounted for based on the substance of the arrangement; the substance may be that the series of transactions is not a lease.	Like IFRS, a series of linked transactions in the legal form of a lease should be accounted for based on the substance of the arrangement; the substance may be that the series of transactions is not a lease.
Special requirements apply to manufacturer or dealer lessors granting finance leases.	Like IFRS, special requirements apply to manufacturer or dealer lessors granting finance leases.
Lease accounting can apply to arrangements that explicitly or implicitly convey the right to use specifically identified assets, but that are not in the contractual form of a lease.	Like IFRS, lease accounting can apply to arrangements that explicitly or implicitly convey the right to use specifically identified assets, but that are not in the contractual form of a lease.
References: IAS 17, SIC 15, SIC 27, IFRIC 4	**References:** RJ 115, RJ 292

5.1.A Leases (forthcoming requirements IFRS 16)

IFRS	Dutch GAAP
The new standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted if IFRS 15 is also adopted (see paragraph 4.1).	The DASB allows the application of IFRS 16 from an annual reporting period beginning on or after 1 January 2019 instead of RJ 292, when it is applied integrally and consistently. Accordingly no difference is expected. However, the following differences may arise if IFRS 16 is not applied under Dutch GAAP.
The new standard applies to leases of property, plant and equipment and other assets, with limited exclusions.	Like IFRS, RJ 292 standard applies to leases of property, plant and equipment and other assets, with limited exclusions.
If an underlying asset of a lease would meet the definition of investment property, their Right-of-use is accounted for in accordance with IAS 40. The lease liability is accounted for in accordance with IFRS 16.	Unlike IFRS the standard does not apply to real-estate held by a lessee that is recognised as investment property. For these assets RJ 213 (Investment property) is applied.
A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.	Like IFRS, a contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
Lessees apply a single on-balance sheet lease accounting model.	Unlike IFRS, a lessee classifies a lease as either a finance lease or operating lease. The lease classification depends on whether substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred from the lessor to the lessee.
Short-term leases and leases of a low-value asset are not required to be recognised on-balance by the lessee. The related lease-payments are recognised on a straight-line basis.	Unlike IFRS, there are no exemptions for short-term leases or leases of low-value assets.
A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In determining what lease payments should be included in the lease liability any renewal and termination options in the contract should be considered.	Unlike IFRS, any lease-payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Like IFRS, a lessee recognises a lease asset and a lease liability under a finance lease at the lower of the underlying asset's fair-value or the present values of the non-cancellable lease payments.
After initial recognition, a lessee measures the lease liability at amortised cost using the effective interest method. The lease liability is also remeasured to reflect lease modifications and changes in the lease payments, including changes caused by a change in an index or rate.	Generally after initial recognition, a lessee under a finance lease measures the lease liability at amortised cost using the effective interest method. Like IFRS, on each reporting date remeasurement of the lease liability under a finance lease needs to be done.
A lessee measures the right-of-use asset at cost less accumulated depreciation and accumulated impairment losses, except when it applies the alternative measurement models for revalued assets and investment property.	Like IFRS, a lessee measures the leased-asset under a finance lease at cost less accumulated depreciation and accumulated impairment losses, except when it applies the alternative measurement models for revalued assets and investment property.
Lessors classify leases as either finance or operating leases.	Like IFRS, lessors classify leases as either a finance lease or operating lease.
Lease classification is made at inception of the lease and is reassessed only if there is a lease modification. The classification depends on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred, based on the substance of the arrangement.	Like IFRS, the lease classification is made at inception of the lease and is not revised unless the lease agreement is modified. The lease classification depends on whether substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred from the lessor to the lessee. Unlike IFRS, Dutch GAAP contains quantitative indicators for classification purposes.
Under a finance lease, a lessor derecognises the underlying asset and recognises a finance lease receivable. A manufacturer or dealer lessor recognises the selling margin in a finance lease by applying its normal accounting policy for outright sales.	Like IFRS, under a finance lease, a lessor derecognises the underlying asset and recognises a finance lease receivable. A manufacturer or dealer lessor recognises the selling margin in a finance lease by applying its normal accounting policy for outright sales.
Under an operating lease, the lessor recognises the lease payments as income over the lease term, generally on a straight-line basis. The lessor recognises the underlying asset in its statement of financial position.	Like IFRS, under an operating lease, the lessor recognises the lease payments as income over the lease term, generally on a straight-line basis. The lessor recognises the underlying asset in its statement of financial position.
There is specific guidance on accounting for lease modifications by lessees and lessors.	Unlike IFRS, there is no specific guidance on accounting for lease modifications by lessees and lessors.
In a sale-and-leaseback transaction, the seller-lessee first determines if the buyer-lessor obtains control of the asset based on the new revenue standard (see paragraph 4.1). Then the analysis on the recognition of the immediate gain can be made. If not, then the transaction is accounted for as a financing arrangement.	Unlike IFRS, immediate gain recognition from the sale and leaseback of an asset is dependent upon whether the leaseback is classified as finance or an operating lease and, if the leaseback is an operating lease, whether the sale takes place at fair value ('true sale').
In a sub-lease, the original lessee / intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. An intermediate lessor classifies a sub-lease as a finance or as an operating lease with reference to the right-of-use asset arising from the head lease.	Like IFRS, in a sub-lease, the original lessee / intermediate lessor accounts for the head and the sub-lease as two separate contracts. Dutch GAAP does not specify whether the sub-lessor should assess the lease classification by reference to the underlying asset or the lease-asset.
References: IFRS 16	**References:** RJ 115, RJ 292

5.2 Operating segments

IFRS	Dutch GAAP
Segment disclosures are presented by entities whose debt or equity instruments are traded in a public market or that file, or are in the process of filing, their financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.	Unlike IFRS, required segment disclosures are limited to (i) net turnover segmented to business sectors and geographical areas and (ii) the average number of employees. This should be done by providing quantitative information. The sum of turnover should be the amount presented in the income statement.
Segment disclosures are provided about the components of the entity that management monitors in making decisions about operating matters – i.e. they follow a 'management approach'.	Unlike IFRS, only large entities are required to provide the aforementioned segment disclosures of net turnover (see (i)); all entities should disclose the average number of employees.
Such components (operating segments) are identified on the basis of internal reports that the entity's chief operating decision maker (CODM) regularly reviews in allocating resources to segments and in assessing their performance.	Unlike IFRS, further segment disclosures are voluntary. For these voluntary disclosures, the RJ implemented the main rules of IFRS 8 (see IFRS) as 'recommendations'.
The aggregation of operating segments is permitted only when the segments have 'similar' economic characteristics and meet a number of other specified criteria.	
Reportable segments are identified based on quantitative thresholds of revenue, profit or loss, or total assets.	
The amounts disclosed for each reportable segment are the measures reported to the CODM, which are not necessarily based on the same accounting policies as the amounts recognised in the financial statements.	
As part of the disclosure, an entity reports a measure of profit or loss for each reportable segment and, if reported to the CODM, a measure of the total assets and liabilities for each reportable segment.	
Disclosures are required for additions to non-current assets, with certain exceptions.	
Reconciliations between total amounts for all reportable segments and financial statement amounts are disclosed with a description of reconciling items.	
General and entity-wide disclosures include information about products and services, geographical areas, major customers and factors used to identify an entity's reportable segments. Such disclosures are required even if an entity has only one segment.	
Comparative information is normally revised for changes in reportable segments.	
References: IFRS 8	**References:** CC, RJ 350

5.3 Earnings per share

IFRS	Dutch GAAP
Basic and diluted earnings per share (EPS) are presented by entities whose ordinary shares or potential ordinary shares are traded in a public market or that file, or are in the process of filing, their financial statements for the purpose of issuing any class of ordinary shares in a public market.	Unlike IFRS, presentation of basic and diluted earnings per share (EPS) is not required for entities applying Dutch GAAP. The following EPS disclosures apply to entities that present EPS information on a voluntary basis.
Basic and diluted EPS for both continuing operations and profit or loss are presented in the statement of profit or loss and OCI, with equal prominence, for each class of ordinary shares that has a differing right to share in the profit or loss for the period.	Like IFRS, basic and diluted EPS are presented on the face of the income statement with equal prominence. However, unlike IFRS, there is no requirement to present EPS for continuing and discontinuing operations separately, or to disclose EPS for each class of ordinary share.
Separate EPS information is disclosed for discontinued operations, either in the statement of comprehensive income or in the notes to the financial statements.	Unlike IFRS, there is no requirement to present EPS for discontinuing operations.
Basic EPS is calculated by dividing the profit or loss attributable to holders of ordinary equity of the parent by the weighted-average number of ordinary shares outstanding during the period.	Like IFRS, basic EPS is calculated by dividing the earnings attributable to holders of ordinary equity of the parent by the weighted average number of ordinary shares outstanding during the period.
To calculate diluted EPS, profit or loss attributable to ordinary equity holders, and the weighted-average number of shares outstanding, are adjusted for the effects of all dilutive potential ordinary shares.	Like IFRS, to calculate diluted EPS, profit or loss attributable to ordinary equity holders, and the weighted number of shares outstanding, are adjusted for the effects of all dilutive potential ordinary shares.
Potential ordinary shares are considered fulfilled only if they decrease EPS or increase loss per share from continuing operations. In determining whether potential ordinary shares are dilutive or anti-dilutive, each issue or series of potential ordinary shares is considered separately, rather than in aggregate.	Unlike IFRS, potential ordinary shares are considered fulfilled only if they decrease EPS or increase loss per share from ordinary activities (including discontinued operations). Like IFRS, in determining whether potential ordinary shares are dilutive or anti-dilutive, each issue or series of potential ordinary shares is considered separately, rather than in aggregate.
Contingently issuable ordinary shares are included in basic EPS from the date on which all necessary conditions are satisfied and, when they are not yet satisfied, in diluted EPS based on the number of shares that would be issuable if the end of the reporting period were the end of the contingency period.	Like IFRS, contingently issuable ordinary shares are included in basic EPS from the date when all necessary conditions are satisfied, and, when not yet satisfied, in diluted EPS to the extent that the conditions are met at the reporting date.
If a contract may be settled in either cash or shares at the entity's option, the presumption is that it will be settled in ordinary shares and the resulting potential ordinary shares are used to calculate diluted EPS.	Like IFRS, when a contract may be settled in either cash or shares at the entity's option it is treated as a potential ordinary share.
If a contract may be settled in either cash or shares at the holder's option, then the more dilutive of cash and share settlement is used to calculate diluted EPS.	Unlike IFRS, If a contract may be settled in either shares or another form at the holder's option, then, regardless of the option, the maximum number of shares to be issued is regarded as potential ordinary shares to calculate diluted EPS.

For diluted EPS, diluted potential ordinary shares are determined independently for each period presented.	Unlike IFRS, no guidance is provided on the determination of the number of dilutive potential ordinary shares for each period presented.
When the number of ordinary shares outstanding changes, without a corresponding change in resources, the weighted-average number of ordinary shares outstanding during all periods presented is adjusted retrospectively for both basic and diluted EPS.	Like IFRS, when the number of ordinary shares outstanding changes, without a corresponding change in resources, the weighted average number of ordinary shares outstanding during all periods presented is adjusted.
Adjusted basic and diluted EPS based on alternative earnings measures may be disclosed and explained in the notes to the financial statements.	Like IFRS, adjusted basic and diluted EPS based on alternative earnings measures may be disclosed and explained in the notes to the financial statements.
References: IAS 33	**References:** RJ 340

5.4 Non-current assets held for sale and discontinuing operations

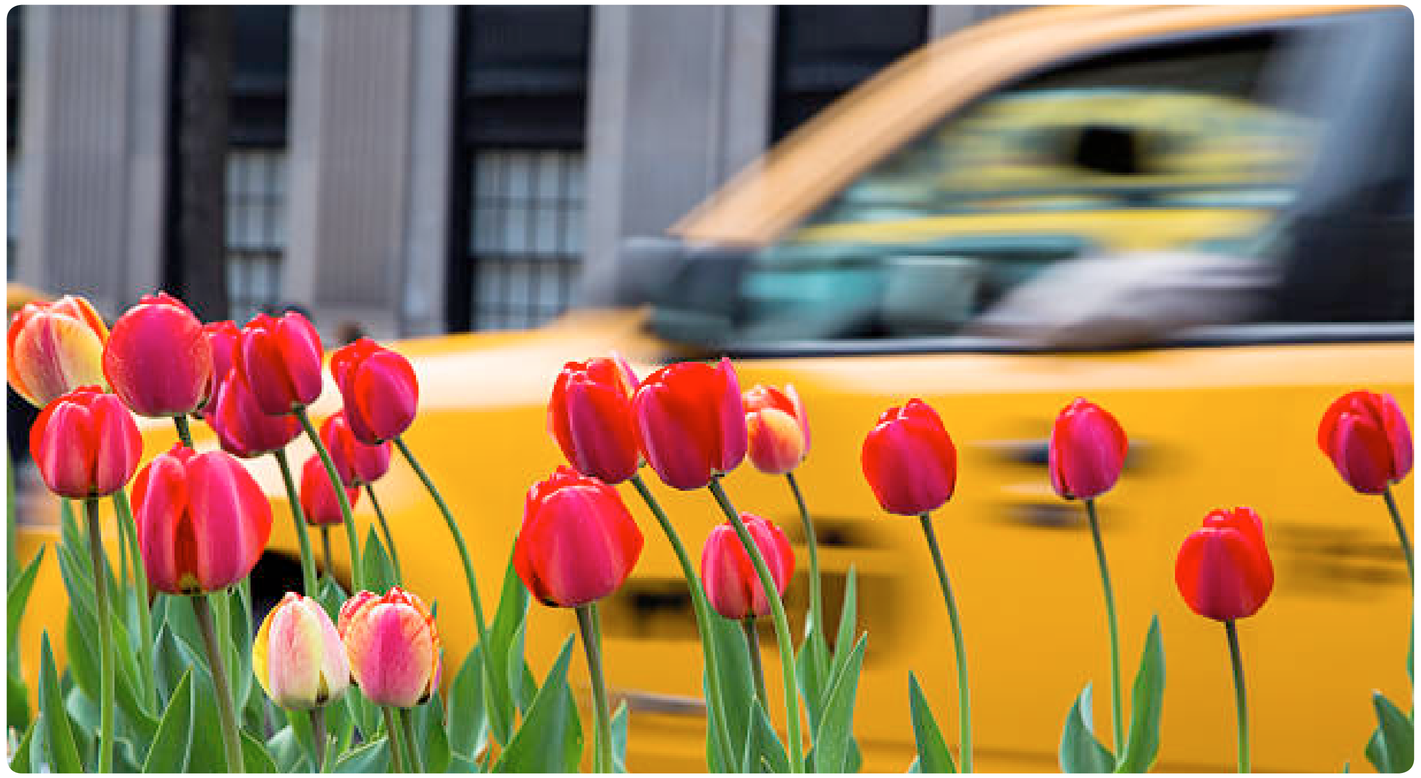
IFRS	Dutch GAAP
Non-current assets and some groups of assets and liabilities ('disposal groups') are classified as held-for-sale when their carrying amounts will be recovered principally through sale and specific criteria are met.	Unlike IFRS, there is no accounting concept of non-current assets or disposal groups held for sale or held for distribution.
Non-current assets and some groups of assets and liabilities ('disposal groups') are classified as held-for-distribution when the entity is committed to distributing the asset or disposal group to its owners.	Such assets, and related liabilities, are accounted for under the regular measurement requirements for those items. However, if tangible fixed assets are retired from active use (decommissioned), the following applies:
Non-current assets and disposal groups held for sale are measured at the lower of their carrying amount and fair value less costs to sell, and are presented separately in the statement of financial position.	Depreciation starts when assets are available for its intended use. Depreciation must be terminated when assets are taken out of service or when they are disposed of.
Assets held-for-sale or distribution are not amortised or depreciated.	Unlike IFRS, assets held for sale or distribution continue to be amortised or depreciated. Only intangible fixed assets that are retired from active use and are held for disposal do not need to be amortised any further. Instead, these assets should be tested for impairment at least at each balance sheet date.
The classification, presentation and measurement requirements that apply to items that are classified as held-for-sale are also applicable to a non-current asset or disposal group that is classified as held-for distribution.	Unlike IFRS, there is no accounting concept of non-current assets or disposal groups held for sale or held for distribution. Such assets, and related liabilities, are presented in accordance with the regular presentation requirements for assets and liabilities.
The comparative statement of financial position is not adjusted when a non-current asset or disposal group is classified as held-for-sale.	Unlike IFRS, an operation is discontinued when the earlier of the following events occurs: (i) the entity has entered into a binding sale agreement; or (ii) the entity's governing body has both approved a detailed, formal plan for discontinuance and has made an announcement of that plan.
A discontinued operation is a component of an entity that either has been disposed of or is classified as held-for-sale. Discontinued operations are limited to those operations that are a separate major line of business or geographical area, and subsidiaries acquired exclusively with a view to resale.	Like IFRS, the separate presentation of discontinued operations is limited to operations that are a separate major line of business or geographical area. Unlike IFRS, a subsidiary acquired exclusively with a view to resale is only considered to be a discontinued operation if it is a separate major line of business or geographical area.
Discontinued operations are presented separately in the statement of profit or loss and OCI, and related cash flow information is disclosed.	Like IFRS, the results of discontinued operations are presented separately on the face of the income statement, and related cash flow information is disclosed. However, unlike IFRS, an analysis of the results and cash flows is presented either on the face of the income statement and the cash flow statement or in the notes to the financial statements.
The comparative statement of profit or loss and OCI and cash flow information is re-presented for discontinued operations.	Like IFRS, comparative information is re-presented for discontinued operations.
No forthcoming requirement in relation to measurement of Non-current assets and disposal groups held for sale.	Effectively from an annual period on or after 1 January 2019, if the tangible fixed asset was decommissioned, the remeasurement of the asset at a higher realisable value with a revaluation reserve is no longer allowed.
References: IFRS 5	**References:** RJ 121, RJ 210, RJ 212, RJ 345

5.5 Related party disclosures

IFRS	Dutch GAAP
Related party relationships include those between entities when direct or indirect control exists, for example, subsidiaries, parents and entities under common control. Investments involving joint control or significant influence also create related party relationships.	Like IFRS, related party relationships include those between entities when direct or indirect control exists, for example, subsidiaries, parents and entities under common control. Investments involving joint control or significant influence also create related party relationships.
Key management personnel and their close family members are parties related to an entity.	Like IFRS, key management, including directors and their close family members, also are related parties.
There are no special recognition or measurement requirements for related party transactions.	Like IFRS, there are no special recognition or measurement requirements for related party transactions.
Disclosure of related party relationships between parents and subsidiaries is required, even if there have not been any transactions between them.	Unlike IFRS, disclosure of related party relationships between parents and subsidiaries is required if there have been transactions between them that have not been executed under normal market conditions. However, there are some required disclosures that are independent of whether transactions have occurred between the related parties.
Comprehensive disclosures of related party transactions are required for each category of related party relationship.	Unlike IFRS, comprehensive disclosures of related party transactions are (only) required for significant related party transactions that have not taken place under normal market conditions; for other related party transactions the disclosures are recommended.
Key management personnel compensation is disclosed in total and is analysed by component.	Like IFRS, key management personnel compensation is disclosed in total and analysed by component. However, unlike IFRS, such disclosure is only required if the compensation is not set under normal market conditions.
	Unlike IFRS, in addition to the disclosure on key management personnel, a separate disclosure is required on the remuneration of members of the statutory board of directors and the statutory supervisory board. The detailed disclosure requirements differ for open public limited liability companies ('open NVs') and other companies: (i) Open public limited liability companies must disclose total compensation for each individual board member (both directors and supervisors), split into four components (only for directors). (ii) Other companies must disclose the total amount of compensation (not per component and not per individual board member), unless it can be traced back to one single natural person.
	Unlike IFRS, the compensation should be disclosed separately for directors and supervisory directors, whereby it is preferred to make a distinction between current and former (supervisory) directors.
References: IAS 24	**References:** CC, RJ 330, RJ 260

5.6 Non-monetary transactions

IFRS	Dutch GAAP
Generally, exchanges of assets are measured at fair value and result in the recognition of gains or losses, unless the transaction lacks commercial substance.	Unlike IFRS, there is no guidance on exchanges of assets other than (in)tangible fixed assets.
Barter transactions generally will result in revenue recognition if the goods or services sold in the exchange are part of the entity's main revenue generating activities or is with a counterparty in the same line of business to facilitate sales to customers or potential customers. Exchanged assets are recognised based on historical cost if the exchange lacks commercial substance or the fair value cannot be measured reliably.	Like IFRS, barter transactions generally will result in revenue recognition if the goods or services sold in the exchange are part of the entity's main revenue generating activities. Unlike IFRS, intangible fixed assets obtained in exchange for other intangible fixed assets are measured initially at the carrying amounts of the assets given up if the assets have a similar nature and use; otherwise, the intangible fixed assets obtained are measured initially at fair value.
Donated assets may be accounted for in a manner similar to government grants, unless the transfer is, in substance, an equity contribution.	Like IFRS, donated assets may be accounted for in a manner similar to government grants, unless the transfer is, in substance, an equity contribution.
If a customer contributes property, plant and equipment to provide access to a supply of goods or services, then an entity assesses whether it obtains control of the asset. If so, then it accounts for it as non-cash consideration in a contract with a customer.	Like IFRS, property, plant and equipment contributed from customers that is used to provide access to a supply of goods or services is recognised as an asset if it meets the definition of an asset and the recognition criteria for property, plant and equipment.
References: IFRS 15, IAS 16, IAS 38, SIC 13	**References:** RJ 135, RJ 190.4, RJ 210, RJ 212, RJ 270



5.7 Accompanying financial and other information

IFRS	Dutch GAAP
Providing a financial and operational review is encouraged but not required under IFRS. An entity considers its particular legal or securities exchange listing requirements in assessing what information is included in addition to that required under IFRS. IFRS does not contain any requirements for a management discussion and analysis (MD&A), either as part of the financial statements or outside the financial statements. IFRS practice statement Management Commentary provides a broad, no-binding framework for the presentation of management commentary.	Unlike IFRS, under Dutch GAAP several legal rules require the disclosure of information in addition to the financial statements, such as a management report containing as a minimum, amongst others, information about: • the financial position at balance sheet date; • the developments during the past year; • the main risks and uncertainties the company has faced during past year; • measures management has taken in relation to the risks and uncertainties and the potential impact of these risks and uncertainties; • financial and non-financial performance indicators. • research and development activities; • business outlook; • the effect on the projections of unusual events, which need not be reflected in the annual accounts; • the objectives and policy of the legal person concerning risk management (e.g. hedging); • price, credit, liquidity and cash flow risks incurred; • balanced share of males and females in the board of directors and the supervisory board. If such ratio is unbalanced, description how they have tried and how they intend to achieve such balance; • information about the applicable code of conducts. Further, the law requires the inclusion of 'Overige gegevens' ('Other information') in the annual report. This paragraph should contain: • the auditors' report, or a statement as to the reason for its absence; • a list of names of the persons having special rights of control in relation to the legal person under the articles of association, particulars of the nature of such rights, unless such information is provided in the directors' report; • a list of existing branch establishments and the countries where there are branch establishments and the names under which they trade if different from that of the legal person. Entities may (voluntary) provide an overview of key figures, ratios and multiple year figures. If provided, these figures should be derived from the financial statements and should be consistent from year to year. The law contains special rules for listed entities, containing requirements on the frequency of providing financial information and the content of such information. For example, in addition to the financial statements and directors' report, compliance statements should be disclosed. In addition, supervisory report is required for entities within scope of the Dutch Corporate governance code.
The presentation of alternative earnings measures is not prohibited, either in the statement of profit or loss and OCI or in the notes to the financial statements.	Like IFRS, non-GAAP measure is not prohibited but they must be clearly described and disclosed and, as far as possible, a numerical reconciliation must be provided, so that such measure is understandable. However unlike IFRS, it is explicitly stated that non-GAAP measure must not be presented with more prominence than GAAP measure.
References: IAS 1	**References:** CC, RJ 400, RJ 405, RJ 410, RJ 420, RJ 430, RJ 2017-15

5.8 Interim financial reporting

IFRS	Dutch GAAP
Interim financial statements contain either a complete or a condensed set of financial statements for a period shorter than a financial year.	Like IFRS, interim financial statements contain either a complete or a condensed set of financial statements for a period shorter than a financial year.
Condensed interim financial statements contain, as a minimum, condensed statement of financial position, condensed statement of comprehensive income (presented either as a condensed single statement, or a condensed statement of profit or loss and a separate condensed statement of comprehensive income, condensed statement of changes in equity, condensed statement of cash flows and selected explanatory notes.	Like IFRS, condensed interim financial statements contain, as a minimum, condensed balance sheets, condensed income statements, condensed cash flow statements, condensed statements of changes in equity and selected explanatory notes.
Items, other than income tax, generally are recognised and measured as if the interim period were a discrete stand-alone period.	Like IFRS, items, other than income tax, generally are recognised and measured as if the interim period were a discrete stand-alone period.
Income tax expense for an interim period is based on an estimated average annual effective income tax rate.	Like IFRS, income tax expense for an interim period is based on an estimated average annual effective income tax rate.
Generally, the accounting policies applied in the interim financial statements are those that will be applied in the next annual financial statements.	Like IFRS, normally the accounting policies applied in the interim financial statements are those that will be applied in the next annual financial statements.
All entities are required to disclose the information about disaggregated revenue in the interim financial reporting. Other annual disclosures about revenue are typically not required for interim financial reporting.	Unlike IFRS, there is no such specific requirement.
References: IAS 34	**References:** RJ 394

5.9 Insurance contracts

IFRS	Dutch GAAP
IFRS specify some accounting requirements for most insurance contract liabilities, but do not establish a special accounting regime for insurance entities. IFRS 4 permits, in most cases, an entity that issues insurance contracts to continue its existing accounting policies with respect to insurance contracts except when the standard requires or permits changes in accounting policies.	Unlike IFRS, there is a special accounting regime for insurance and reinsurance entities, rather than only for insurance contracts. Unlike IFRS, there are specific recognition, measurement, presentation and disclosure requirements for the financial statements of insurance entities as a whole.
An insurance contract is a contract that transfers significant insurance risk.	Unlike IFRS, the definition of an insurance contract is based on its legal form, and the transfer of significant insurance risk is not relevant.
Any financial instrument that does not meet the definition of an insurance contract, including investments held to back insurance liabilities, will be accounted for under the general recognition and measurement requirements for financial instruments in IFRS.	Unlike IFRS, a financial instrument is accounted for as an insurance contract, including investments held to back insurance liabilities, if it is part of an insurance contract at law.
Changes in existing accounting policies for insurance contracts are permitted if the new policy, or a combination of new policies, results in information that is more relevant or reliable or both, without reducing either relevance or reliability.	Unlike IFRS, the general rules for changes in accounting policies apply.
Financial instruments that include discretionary participation features may be accounted for as insurance contracts.	Unlike IFRS, financial instruments that include discretionary participation features are treated as insurance contracts only if the definition of an insurance contract is met.
In some cases a deposit element is 'unbundled' (separated) from an insurance contract and accounted for as a financial instrument.	Unlike IFRS, a deposit element is not required to be unbundled from an insurance contract.
Some derivatives embedded in insurance contracts must be separated from their host insurance contract and accounted for as if they were stand-alone derivatives.	Unlike IFRS, derivatives embedded in insurance contracts are not required to be separated from their host insurance contract and accounted for as if they were stand-alone derivatives.
Recognition of catastrophe and equalisation provisions is prohibited for contracts not in existence at the reporting date.	Unlike IFRS, equalisation provisions must be recognised by credit insurance entities, and catastrophe provisions are allowed.
A liability adequacy test is required to ensure that the measurement of an entity's insurance liabilities considers all expected contractual cash flows, using current estimates.	Like IFRS, a liability adequacy test is required for life insurance companies; however, unlike IFRS, the local regulator determines the method and assumptions in the test. Unlike IFRS, non-life insurance companies do not have a specified liability adequacy test.
The use of 'shadow accounting', under which the effect of certain unrealised gains and losses on insurance liabilities is recognised directly in equity, is permitted but not required.	Unlike IFRS, there is no guidance in respect of 'shadow accounting'.
IFRS 4 will be replaced by IFRS 17, which introduces a new measurement model for insurance contracts and becomes effective in 2021 or later.	
References: IFRS 4	**References:** RJ 605

5.10 Extractive activities

IFRS	Dutch GAAP
IFRS provides specialised extractive industry guidance only in respect of expenditures incurred on exploration for an evaluation (E&E) of mineral resources after obtaining a legal right to explore and before achieving technical and feasibility and commercial viability.	Unlike IFRS, no specific guidance is provided for exploration and evaluation expenditure (E&E), and the general standards apply.
There is no industry-specific guidance on the recognition or measurement of pre-exploration expenditure or development expenditure. Pre-E&E expenditure is generally expensed as it is incurred.	Like IFRS, there is no industry-specific guidance on the recognition or measurement of pre-exploration expenditure or development expenditure. Pre-E&E expenditure is generally expensed as it is incurred.
Entities identify and account for pre-exploration expenditure, E&E expenditure and development expenditure separately.	Like IFRS, different kind of expenditures may be identified and accounted for differently. Unlike IFRS, E&E costs can be capitalised only if they meet the criteria for development costs.
Each type of E&E costs can be expensed as incurred or capitalised, in accordance with the entity's selected accounting policy. Capitalised E&E costs must be segregated and classified as either tangible or intangible assets, according to its nature.	Like IFRS, capitalised E&E costs will be classified as either tangible or intangible fixed assets, according to their nature.
The test for recoverability of E&E assets can combine several cash generating units, as long as the combination is not larger than an operating segment.	Unlike IFRS, the general requirements for determining a cash generating unit (CGU) apply and CGUs cannot be combined.
Stripping costs incurred during the production phase of surface mining are included in the cost of inventory extracted during the period, if appropriate, or are capitalised as a non-current asset if they improve access to the ore body.	Unlike IFRS, there is no specific guidance on stripping cost for surface mining. General standards need to be applied.
References: IFRS 6, IFRIC 20	**References:** RJ 210, RJ 212

5.11 Service concession arrangements

IFRS	Dutch GAAP
The interpretation on service concession arrangements provides guidance on the accounting by private sector entities (operators) for public-to-private service concession arrangements. The guidance applies only to service concession arrangements in which the public sector (the grantor) controls or regulates: • the services provided with the infrastructure; • to whom the operator should provide the services; • the price charged of end users; and • any significant residual interest in the infrastructure.	Like IFRS, the interpretation on service concession arrangements provides guidance on the accounting by private sector entities (operators) for public-to-private service concession arrangements. The guidance applies only to service concessions arrangements in which the public sector (the grantor) controls or regulates: • the services provided with the infrastructure; • to whom the operator should provide the services; • the price charged of end users; and • any significant residual interest in the infrastructure.
For service concession arrangements in the scope of the guidance, the operator does not recognise public service infrastructure as its property, plant and equipment if the infrastructure is existing infrastructure of the grantor, or if the infrastructure is built or acquired by the operator as part of the service concession arrangement.	Like IFRS, the infrastructure as part of the service concession arrangements is not recognised as property, plant and equipment.
If the grantor provides other items to the operator that the operator may retain or sell at its discretion, then the operator recognises those items as assets, with a liability for unfulfilled obligations.	Like IFRS, if the grantor provides other items to the operator that the operator may retain or sell at its discretion, then the operator recognises those items as assets, with a liability for unfulfilled obligations.
The operator recognises and measures revenue for providing construction or upgrade services, and revenue for other services, in accordance with applicable revenue recognition standard (see 4.2).	Like IFRS, the operator recognises and measures revenue for providing construction or upgrade services, and revenue for other services, in accordance with applicable revenue recognition standard.
The operator recognises consideration receivable from the grantor for construction or upgrade services, including upgrades of existing infrastructure, as a financial asset and/or an intangible asset.	Like IFRS, the operator recognises consideration receivable from the grantor for construction or upgrade services, including upgrades of existing infrastructure, as a financial asset and/or an intangible asset.
The operator recognises a financial asset to the extent that it has an unconditional right to receive cash (or another financial asset), irrespective of the use of the infrastructure.	Like IFRS, the operator recognises a financial asset to the extent that it has an unconditional right to receive cash (or another financial asset), irrespective of the use of the infrastructure.
The operator recognises an intangible asset to the extent that it has a right to charge for use of the infrastructure.	Like IFRS, the operator recognises an intangible asset to the extent that it has a right to charge for use of the infrastructure.
Any financial asset recognised is accounted for in accordance with the relevant financial instruments standards (see chapter 6), and any intangible asset in accordance with the intangible standard (see 3.2). There are no exemptions for these standards for operators.	Like IFRS, any financial asset recognised is accounted for in accordance with the relevant financial instruments standards, and any intangible asset in accordance with the intangible standard. There are no exemptions for these standards for operators.
The operator recognises and measures obligations to maintain or restore infrastructure, except for any construction or upgrade element, in accordance with the provision standard.	Like IFRS, the operator recognises and measures obligations to maintain or restore infrastructure, except for any construction or upgrade element, in accordance with the provision standard.
The operator generally capitalises attributable borrowing cost incurred during the construction or upgrade periods to the extent that is has a right to receive an intangible asset. Otherwise the operator expenses borrowing cost as they are incurred.	Like IFRS, the operator generally capitalises attributable borrowing cost incurred during the construction or upgrade periods to the extent that is has a right to receive an intangible asset. Otherwise the operator expenses borrowing cost as they are incurred.
References: IFRIC 12, SIC 29, IFRS 15	**References:** RJ 221, RJ 390

5.12 Borrowing cost

IFRS	Dutch GAAP
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset generally form part of the cost of that asset. Other borrowing costs are recognised as an expense.	Unlike IFRS, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset could be capitalised, it is not required (i.e., an accounting policy choice). Borrowing costs that are not capitalised are expensed.
A 'qualifying asset' is one that necessarily takes a substantial period of time to be made ready for its intended use or sale. In our view, investments in associates, jointly controlled entities and subsidiaries, are not qualifying assets. Property, plant and equipment, internally developed intangible assets and investment property can be qualifying assets.	The concept of a 'qualifying asset' is similar to IFRS.
Borrowing costs may include interest calculated using the effective interest method, certain finance charges and certain foreign exchange differences.	Like IFRS, borrowing costs may include interest calculated using the effective interest method, certain finance charges and certain foreign exchange differences.
References: IAS 23	**References:** RJ 273

6 Financial Instruments

6.0 IFRS 9 - Introduction

IFRS 9 (Financial Instruments) is effective for annual periods beginning on or after 1 January 2018.

Requirements of IFRS 9 Financial Instruments and the related version of IFRS 7 Financial Instruments: Disclosures, which are effective should be applied by all entities. However an option to apply IAS 39 is available to an insurer, until IFRS 17 Insurance Contracts becomes effective, if it meets specific criteria.

In addition, an entity on adopting IFRS 9 can choose to continue to apply the hedge accounting requirements in IAS 39 (see paragraph 6.7A) either:

- in their entirety instead of those in section 6 (IFRS 9) until a new standard resulting from the IASB's ongoing project on accounting for dynamic risk management becomes effective; or
- for a fair value hedge of the interest rate exposure of a portfolio of financial assets or financial liabilities.

Note: An entity that chooses to continue to apply the hedge accounting requirements in IAS 39 is subject to the hedge accounting disclosure requirements in IFRS 7, as updated by IFRS 9.

6.1 Financial Instrument - Scope and definitions

IFRS	Dutch GAAP
A 'financial instrument' is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.	Like IFRS, Dutch GAAP defines financial instrument as any contract that gives rise to both a financial asset of one entity and a financial liability of another entity.
Financial instruments include a broad range of financial assets and financial liabilities. They include both primary financial instruments (such as cash, receivables, debt, shares in another entity) and derivative financial instruments (e.g. options, forwards, futures, interest rate swaps, currency swaps).	Like IFRS, Dutch GAAP includes a similar range of financial assets and financial liabilities.
Financial instruments subject to scope exclusions include certain loan commitments and financial guarantee contracts, as well as financial instruments in the scope of other specific standards – e.g. investments in subsidiaries and associates, insurance contracts and employee benefits. However, certain investments in subsidiaries, associates and joint ventures are in the scope of the financial instruments standards.	Dutch GAAP while similar to IFRS also scopes out the following: • financial guarantees, except for financial guarantee contracts that may result in payments based on changes of an underlying like commodity price interest index or currency; • contracts with payments based on climatic, geological or other physical variables; • contingent assets or liabilities related to a business combination; • certain commodity contracts.
References: IAS 32, IFRS 7, IFRS 9, IFRS 13	**References:** CC, RJ 290

6.2 Derivatives and embedded derivatives

IFRS	Dutch GAAP
A 'derivative' is a financial instrument or other contract within the scope of IFRS 9: • the value of which changes in response to some underlying variable; • that has an initial net investment smaller than would be required for other instruments that have a similar response to the variable; and • that will be settled at a future date.	The definition of a 'derivative' and an 'embedded derivative' is similar to IFRS.
An 'embedded derivative' is a component of a hybrid contract that affects the cash flows of the hybrid contract in a manner similar to a stand-alone derivative instrument. An embedded derivative with a host contract that is a financial asset in the scope of IFRS 9 is not separated. Instead, the hybrid financial instrument is assessed as a whole for classification under IFRS 9. A hybrid instrument with host contract that is not a financial asset in the scope of IFRS 9 is assessed to determine whether the embedded derivative(s)are required to be separated from the host contract. An embedded derivative is not accounted for separately from the host contract if it is closely related to the host contract, if a separate instrument with the same terms as the embedded derivative would not meet the definition of a derivative or if the entire contract is measured at fair value through profit or loss. In other cases, an embedded derivative is accounted for separately as a derivative.	Like IFRS, an embedded derivative is not accounted for separately from the host contract if it is closely related to the host contract, or the entire contract is measured at fair value through profit or loss. Unlike IFRS the embedded derivative is always accounted for as a separate derivative if this embedded derivative is not closely related to the host contract. This also applies for host contracts that are financial assets.
References: IAS 32, IFRS 9	**References:** RJ 290

6.3 Equity and financial liabilities

IFRS	Dutch GAAP
An instrument, or its components, is classified on initial recognition as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.	Like IFRS, financial instruments issued by the entity are classified in consolidated financial statements as equity or liabilities in accordance with their economic substance. Unlike IFRS, in the statutory financial statements, the financial instruments issued should be presented/ classified in accordance with their (legal) form. These financial instruments that, on the basis of economic substance, would be classified as a liability in the consolidated financial statements, should be presented separately within equity in the stand-alone financial statements. The text, hereafter, describes the rules for classification in the consolidated accounts.
A financial instrument is a financial liability if it contains a contractual obligation to transfer cash or another financial asset.	Like IFRS, in the consolidated financial statements, an instrument is a liability if the issuer is obliged to settle it in cash or other financial instrument.
A financial instrument is also classified as a financial liability if it will or may be settled in a variable number of the entity's own equity instruments.	Like IFRS, an instrument is a liability if it is or may be settled in a variable number of the entity's own equity instruments (e.g., equal to a specified value).
Equity is the residual interest in the assets of the entity after deducting all of its liabilities.	Like IFRS, equity is the residual interest in the assets of the entity after deducting all of its liabilities. In most cases, the entity's regular shares classify as equity.
An obligation for an entity to acquire its own equity instruments gives rise to a financial liability, unless certain conditions are met.	Like IFRS, an obligation for an entity to acquire its own equity instruments gives rise to a financial liability, unless certain conditions are met.
The contractual terms of preference shares and similar instruments are evaluated to determine whether they have the characteristics of a financial liability.	Like IFRS, preference shares and similar instruments must be evaluated to determine whether they have the characteristics of a liability. Such characteristics may lead to classification of these instruments as a liability. For preference shares that bear contingent dividends there is an accounting policy choice (equity or financial liability).
The components of compound financial instruments, which have both liability and equity characteristics, are accounted for separately.	Like IFRS, compound instruments that have both liability and equity characteristics are required to be split into these components in the consolidated financial statements. Unlike IFRS, the presentation in the separate financial statements is based on legal form.
A non-derivative contract that will be settled by an entity delivering its own equity instruments is an equity instrument if, and only if, it is settleable by delivering a fixed number of its own equity instruments.	Like IFRS, instruments may have to be classified as liabilities even if they are issued in the form of shares.
A derivative contract that will be settled by the entity delivering a fixed number of its own equity instruments for a fixed amount of cash is an equity instrument. If such a derivative contains settlement options, then it is an equity instrument only if all settlement alternatives lead to equity classification.	Like IFRS, the stipulations on non-derivative contracts and derivative contracts are similar.
Incremental costs that are directly attributable to issuing or buying back own equity instruments are recognised directly in equity.	Like IFRS, incremental costs that are attributable directly to issuing own equity instruments are recognised directly in equity, net of the related tax. Unlike IFRS, no specific guidance is provided on incremental costs that are attributable directly to buying back own equity instruments.
Treasury shares are presented as a deduction from equity.	Like IFRS, treasury shares must be reported as a deduction from equity.
Gains and losses on transactions in an entity's own equity instruments are reported directly in equity.	Like IFRS, gains and losses on transactions in own equity instruments are reported directly in equity, not in profit or loss.
Dividends and other distributions to the holders of equity instruments, in their capacity as owners, are recognised directly in equity.	Like IFRS, dividends and other distributions to the holders of instruments classified as equity, in their capacity as owners, are recognised directly in equity.
Non-controlling interests are classified within equity, but separately from equity attributable to shareholders of the parent.	Like IFRS, minority interests are classified within group equity but separate from parent shareholders' equity.
IFRS generally contain little guidance on the recognition and measurement of equity. IFRS 2 specifies recognition and measurement requirements for share based payments.	Unlike IFRS, more guidance is provided on the recognition and measurement of equity and the classification of the required captions within equity. Like IFRS, Dutch GAAP provides special recognition and measurement requirements for share-based payments.
References: IAS 32, IFRS 9	**References:** CC, RJ 240, RJ 290

6.4 Classification of financial assets and financial liabilities

IFRS	Dutch GAAP
Financial assets are classified into one of the following categories: • debt instruments at amortised cost; • debt instruments at fair value through other comprehensive income (FVOCI) with cumulative gains and losses reclassified to profit or loss upon derecognition; • debt and equity instruments at fair value through profit or loss (FVTPL); or • equity instruments designated as FVOCI with gains and losses remaining in OCI without reclassification into profit and loss. Financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. Equity securities are measured at FVTPL unless the entity choses, on initial recognition, to present fair value changes in other comprehensive income (OCI). This option is irrevocable and applies only to equity instruments which are not held for trading. Unlike debt instruments, gains and losses in OCI are not recycled on sale and there is no impairment accounting. All financial assets will have to be assessed based on their cash flow characteristics and/or the business model in which they are held in order to determine their classification. Categorisation of financial assets in one of the categories depends on the entity's business model i.e. held to collect (amortised cost), both held to collect and for sale (FVOCI), trading, managing on a fair value basis or maximising cash flow through sale (FVTPL). Financial liabilities are classified and subsequently measured at amortised cost except for financial liabilities held for trading that are measured at fair value through profit or loss and financial liabilities that are designated as at fair value on initial recognition. The amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI and the remaining amount of change in fair value is presented in profit and loss. Amounts presented in OCI are never reclassified in profit and loss. Reclassification of financial assets is required if, and only if, the objective of the entity's business model for managing those financial assets changes. These changes should be significant to the entity's operations and demonstrable to external parties. Reclassification from fair value through profit or loss (FVTPL) to fair value through OCI (FVOCI): the fair value on reclassification date is the new carrying amount. Based on this carrying amount a new effective interest rate is calculated. Subsequent changes in fair value are recognised in OCI. Reclassification from fair value through profit or loss (FVTPL) to amortised cost: the fair value on reclassification date is the new carrying amount. Based on this carrying amount a new effective interest rate is calculated. Reclassification from fair value through other comprehensive income (FVOCI) to fair value through profit or loss (FVTPL): the fair value accumulated in OCI on reclassification date is reclassified to profit and loss. Reclassification from fair value through other comprehensive income (FVOCI) to amortised cost: reclassify the financial asset at fair value to the amortised cost category and remove the fair value accumulated in OCI to adjust the reclassified fair value. The effective interest rate determined at initial recognition and carrying amount are not adjusted as a result of reclassification. Reclassification from amortised cost to fair value through profit (FVTPL): fair value on reclassification date is the new carrying amount. The difference between amortised cost and fair value is recognised in profit and loss. Reclassification from amortised cost to fair value through other comprehensive income (FVOCI): remeasure the financial asset at fair value with any difference recognised in OCI.	Unlike IFRS, Dutch GAAP provides more options to measure financial assets and liabilities and more options to recognise fair value changes. However, Dutch GAAP does not allow to account for loans granted and financial liabilities at fair value through profit and loss. In accordance with RJ 290, financial assets and liabilities are classified into the following categories: • Held-for-trading financial assets and financial liabilities are measured at fair value through profit or loss. • Hedging derivatives financial assets and financial liabilities are measured at cost, or fair value. • Non-hedging derivatives (financial assets and financial liabilities) on listed shares are measured at fair value through profit or loss. • Other non-hedging derivatives (financial assets and financial liabilities) are measured at cost or lower fair value, or fair value through profit or loss. • Acquired loans and bonds that are held to maturity (financial assets) are measured at amortised cost, applying the effective interest rate method. • Other acquired loans and bonds (financial assets) are measured at amortised cost or fair value. If the latter option is applied, the entity may choose to recognise the fair value changes in profit or loss or in equity (revaluation reserve). • Loans and receivables (financial assets) are measured at amortised cost applying the effective interest rate method. • Investments in listed equity instruments not held for trading (financial assets) are measured at fair value, with a choice of recognising the fair value changes in profit or loss or in equity (revaluation reserve) • Investments in non-listed equity instruments not held for trading (financial assets) are measured at cost or fair value. If the latter option is applied, the entity may choose to recognise the fair value changes in profit or loss or in equity (revaluation reserve). • Other financial liabilities (not included in the aforementioned financial liability categories) are measured at amortised cost applying the effective interest rate method. Unlike IFRS, RJ 290 does not contain explicit conditions for reclassifications. However, there may be exceptions to this, for example, in case of a financial crisis.
References: IAS 32, IFRS 9	**References:** CC, RJ 290

6.5 Recognition and derecognition

IFRS	Dutch GAAP
Financial assets and financial liabilities, including derivative instruments, are recognised in the statement of financial position at trade date. However, 'regular-way' purchases and sales of financial assets are recognised either at trade date or at settlement date.	Like IFRS, financial assets and financial liabilities, including derivative instruments, are recognised in the statement of financial position at trade date.
A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire or when the financial asset is transferred and the transfer meets certain specified conditions.	Like IFRS, a financial asset is derecognised upon the transfer of risks and rewards to a third party. Like IFRS, a financial asset is transferred if the risks and rewards of ownership of the transferred financial asset are passed onto a third party.
A financial asset is transferred if an entity transfers the contractual rights to receive the cash flows from the financial asset or enters into a qualifying 'pass-through' arrangement. If a financial asset is transferred, then an entity evaluates whether it has retained the risks and rewards of ownership of the transferred financial asset.	Therefore, unlike IFRS, for derecognition of financial assets, there is no mixed approach of risk/rewards and control under Dutch GAAP. The comprehensive derecognition rules of IFRS are not implemented in Dutch GAAP.
An entity derecognises a transferred financial asset: if it has transferred substantially all the risks and rewards of ownership; or if it has neither retained substantially all the risks and rewards of ownership nor the retained control of the financial asset.	Like IFRS, an entity derecognises a transferred financial asset if it has transferred substantially all the risks and rewards of ownership; or if it has neither retained substantially all the risks and rewards of ownership nor the control of the financial asset.
A financial liability is derecognised when it is extinguished or when its terms are substantially modified and the obligation specified in the contract is discharged, cancelled or expires.	Like IFRS, a financial liability is derecognised when it is extinguished or when its terms are substantially modified and the obligation specified in the contract is discharged, cancelled or expires.
References: IAS 32, IFRS 9	**References:** RJ 115, RJ 290

6.6 Measurement and gains and losses

IFRS	Dutch GAAP
	General: Legal entities under Dutch GAAP can opt to apply IFRS 9 (Financial Instruments) for the impairment losses based on the expected credit loss (ECL) model. Differences related to impairments may arise in case the option to adopt the ECL model is not applied for Dutch GAAP purposes. These differences are described later in this paragraph.
On initial recognition, a financial asset or financial liability is measured at fair value plus or minus directly attributable transaction costs unless the instrument is classified as at fair value through profit or loss (FVTPL) or the instrument is a trade receivable that does not have a significant financing component. After initial recognition a financial asset is subsequently measured at amortised cost, fair value through OCI (FVOCI) or fair value through profit or loss. Amortised cost category: Recognition in the profit and loss of interest revenue using the effective interest method, expected credit losses and reversals and foreign exchange gains and losses. When the financial asset is derecognised the gain or loss is recognised in profit and loss. Fair value through other comprehensive income category: Recognition of gains and losses in other comprehensive income except for the following items, interest revenue using the effective interest method, expected credit losses and reversals and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised the cumulative gain or loss is reclassified from OCI to profit and loss. Equity instruments (presentation of gains or losses in OCI): Recognition of gains and losses in OCI. Dividends are recognised in profit and loss unless they clearly represent a repayment of part of the cost of the investment. The amounts recognised in OCI are never not reclassified to profit or loss. Fair value through profit or loss category: Gains and losses, both on subsequent measurement and derecognition are recognised in profit or loss. Financial liabilities are measured at amortised cost except for liabilities measured at fair value through profit or loss, loan commitment to provide a loan below market interest rate.	Upon initial recognition, like IFRS, financial instruments are measured at fair value, in the case of a financial instrument other than at fair value through profit or loss and transaction costs. The fair value, on initial recognition, is normally the transaction price, unless part of the consideration is for something other than a financial instrument or the instrument that bears an off-market interest rate. **Financial assets:** • Held-for-trading financial assets are measured at fair value through profit or loss. • Hedging derivatives are measured at cost or fair value. • Non-hedging derivatives on listed shares are measured at fair value through profit or loss. • Other non-hedging derivatives are measured at cost or lower fair value, or fair value through profit or loss. • Acquired loans and bonds that are held to maturity are measured at amortised cost, applying the effective interest rate method. • Other acquired loans and bonds are measured at amortised cost or fair value. If the latter option is applied, the entity may choose to recognise the fair value changes in profit or loss or in equity (revaluation reserve). • Loans and receivables are measured at amortised cost applying the effective interest rate method. • Investments in listed equity instruments not held for trading are measured at fair value, with a choice of recognising the fair value changes in profit or loss or in equity (revaluation reserve). • Investments in non-listed equity instruments not held for trading are measured at cost or fair value. If the latter option is applied, the entity may choose to recognise the fair value changes in profit or loss or in equity (revaluation reserve). **Financial liabilities** • Held for trading financial liabilities are measured at fair value through profit or loss. • Hedging derivatives are measured at cost or fair value through profit or loss.

Gains and losses of financial liabilities measured at fair value through profit or loss should be split. Fair value changes that are attributable to changes in credit risk of the liability should be presented in OCI. All derivatives (including separated embedded derivatives) are measured at fair value.	• Non-hedging derivatives on listed shares are measured at fair value through profit or loss. • Other non-hedging derivatives are measured at cost or lower fair value, or fair value. • Other financial liabilities (not taken into account in the aforementioned financial liability categories) are measured at amortised cost applying the effective interest rate method. Under Dutch GAAP decreases below amortised cost should be recognised in profit or loss (not allowed to recognise a negative revaluation reserve). As is clear from the list above, unlike IFRS, Dutch GAAP provides more financial instruments to be subsequently measured at cost (amortised cost, or lower fair value). For example, unlike IFRS, derivatives (including separated embedded derivatives) may be valued at cost or lower fair value.
Interest income and interest expense are calculated under the effective interest method, based on estimated cash flows that consider all contractual terms of the financial instrument at the date on which the instrument is initially recognised or at the date of any modification.	Like IFRS, changes in the fair value of financial assets and financial liabilities at fair value through profit or loss are recognised in profit or loss. Like IFRS, interest income and interest expense are calculated under the effective interest method, based on estimated cash flows that consider all contractual terms of the financial instrument at the date on which the instrument is initially recognised or at the date of any modification. Unlike IFRS, amortisation on a straight-line basis is allowed if this does not lead to material differences with the EIR-method.
Impairment is recognised using an expected loss model, which means that it is not necessary for a loss event to occur before an impairment loss is recognised. The general approach uses two measurement bases: 12-month expected credit losses and lifetime expected credit losses, depending on whether the credit risk on a financial asset has increased significantly since initial recognition. The model includes specific requirements for certain types of financial assets and also certain practical expedients.	Unlike IFRS, an entity assesses whether there is objective evidence of impairment of financial assets not measured at fair value through profit or loss. When there is objective evidence of impairment, any impairment loss is recognised in profit or loss. However, as stated, unlike IFRS, under Dutch GAAP, some financial assets can be measured at cost or lower fair value. If this option is chosen, the aforementioned impairment rules do not apply.

Specific line items in profit and loss are required with respect to interest revenue calculated using the effective interest rate; gains and losses arising from the derecognition of financial assets measured at amortised cost; impairment losses; gains and losses arising on reclassification of financial assets out of the amortised cost category into the FTPL category and cumulative gains and losses reclassified from OCI to profit and loss of financial assets reclassified out of the FVOCI category into FVTPL category.	When applying combination 3, the accounting policies applied in the IFRS consolidated financial statements are applied in the parent company financial statements as well. Thus, expected credit losses would have to be calculated on intercompany loans granted by the parent company. As these loans are eliminated on consolidation, no such ECL exist in the consolidated financial statements, potentially giving rise to a difference between consolidated and parent company equity and profit or loss. This has been solved by the DASB by issuing RJ 100.107a. RJ 100.107a requires the elimination of the ECL in the parent company accounts against the net asset value of the relevant subsidiary / associate / joint venture; or against the carrying amount of the intercompany loans.
References: IAS 32, IFRS 9	**References:** CC, RJ 290, RJ 273

6.7 Hedge accounting

IFRS	Dutch GAAP
Hedge accounting allows an entity to selectively measure assets, liabilities and firm commitments on a basis different from that otherwise stipulated in IFRS, or to defer the recognition in profit or loss of gains or losses on derivatives. IFRS requires an entity's accounting to be closely aligned with its actual risk management objectives. Hedge accounting is voluntary; however, it is permitted only when strict documentation and effectiveness requirements are met.	Like IFRS, hedge accounting allows an entity to selectively measure assets, liabilities and firm commitments on a basis different from that otherwise stipulated in Dutch GAAP, or to defer the recognition in profit or loss of gains or losses on derivatives. Hedge accounting is voluntary; however, it is permitted only when strict documentation and effectiveness requirements are met.
There are three hedge accounting models: fair value hedges of fair value exposures; cash flow hedges of cash flow exposures; and net investment hedges of currency exposures on net investments in foreign operations. Qualifying hedged items can be recognised assets or liabilities, unrecognised firm commitments, highly probable forecast transactions or net investments in foreign operations, aggregated exposure (a combination of non-derivative exposure and a derivative exposure).	Like IFRS, the three IFRS hedge accounting models are implemented under Dutch GAAP. However, unlike IFRS, Dutch GAAP permits a fourth model: cost price hedge accounting. Cost price hedge accounting is accounted for as follows: • If the hedged item is recognised at cost, the derivative is also recognised at cost. • As long as the hedged item is not yet recognised in the balance sheet, the hedging instrument is not remeasured in the balance sheet either.

In general, only derivative instruments entered into with an external party qualify as hedging instruments. However, for hedges of foreign exchange risk only, non-derivative financial instruments may qualify as hedging instruments.	Like IFRS, in general, only derivative instruments entered into with an external party qualify as hedging instruments. For hedges of foreign exchange risk, only non-derivative financial instruments may qualify as hedging instruments.
The hedged risk should be one that could affect profit or loss.	Like IFRS, effectiveness testing is conducted on both prospective and retrospective bases.
Effectiveness testing is conducted on a prospective basis only. In order for a hedge to be effective, changes in the fair value or cash flows of the hedged item attributable to the hedged risk should be offset by changes in the fair value or cash flows of the hedging instrument. For assessing whether a hedging relationship meets the hedge effectiveness requirements prospectively a qualitative methodology (e.g. critical terms test) or a quantitative test (e.g. regression analysis) is permitted.	The effectiveness test described under IFRS column is one of the allowed methods under Dutch GAAP. Dutch GAAP states that the level of (in)effectiveness may be determined by comparing the critical terms of the hedge instrument and hedge item. If these critical terms are not equal, then the level of (in)effectiveness should be determined by comparing the fair value changes of the hedge instrument and those of the hedge item (see above). If the cost price hedge accounting model is used, RJ 290 states that only a cumulative loss (loss as from the date of initial recognition of the financial instrument) is recognised in profit or loss.
Hedge accounting is discontinued prospectively if: the hedged transaction is no longer highly probable; the hedging instrument expires, is sold, terminated or exercised; the hedged item is sold, settled or otherwise disposed of; or the hedge is no longer highly effective.	Like IFRS, hedge accounting is discontinued prospectively if the hedged transaction is no longer highly probable; the hedging instrument expires, is sold, terminated or exercised; the hedged item is sold, settled or otherwise disposed of; or the hedge is no longer highly effective.
Hedge documentation should be prepared for each individual hedge relation.	Two options for hedge documentation can be used: • individual hedge documentation. • generic hedge documentation for groups of hedging instruments.
If certain conditions are met, net positions of hedged items are allowed.	Net positions are not allowed under Dutch GAAP. Similar outcome can be achieved by allocating the net position to the largest gross position as hedged item.
Costs of hedging concept	
From the hedging relationships an entity may exclude the time value of purchased options, the forward element of forward contracts and foreign currency basis spreads. These excluded elements will be recognised in OCI and subsequently be deferred in case of transaction-related hedged items and amortised in case of time period-related hedged items.	Costs of hedging concept does not exist under Dutch GAAP. Excluded elements (which may be time value of purchased options or the forward elements of a forward contract) of derivatives in a hedge relation will be measured at the basic measurement policies.
Aggregated exposures (a combination of a non-derivative exposure and a derivative) are allowed to be used as hedged item.	Dutch GAAP does not explicitly forbid aggregated exposures.

IFRS 9 forbids credit risk to be designated as hedged risk. Certain credit exposures that are managed for credit risk with credit derivatives may be designated at fair value through profit or loss (FVTPL).	Unlike IFRS, credit risk can be designated as a hedged risk, provided that all hedge accounting requirements can be met.
References: IAS 32, IFRS 9	**References:** CC, RJ 290

6.7A Hedge accounting (IAS 39)

IFRS	Dutch GAAP
An entity that applies IFRS 9 is allowed to continue applying the hedge accounting requirements under IAS 39. Hedge accounting allows an entity to selectively measure assets, liabilities and firm commitments on a basis different from that otherwise stipulated in IFRS, or to defer the recognition in profit or loss of gains or losses on derivatives.	Like IFRS, hedge accounting allows an entity to selectively measure assets, liabilities and firm commitments on a basis different from that otherwise stipulated in Dutch GAAP, or to defer the recognition in profit or loss of gains or losses on derivatives.
Hedge accounting is voluntary; however, it is permitted only when strict documentation and effectiveness requirements are met.	Like IFRS, hedge accounting is voluntary; however, it is permitted only when strict documentation and effectiveness requirements are met.
There are three hedge accounting models: fair value hedges of fair value exposures; cash flow hedges of cash flow exposures; and net investment hedges of currency exposures on net investments in foreign operations. Qualifying hedged items can be recognised assets or liabilities, unrecognised firm commitments, highly probable forecast transactions or net investments in foreign operations.	The three IFRS hedge accounting models are implemented under Dutch GAAP. However, unlike IFRS, Dutch GAAP permits a fourth model: cost price hedge accounting. Cost price hedge accounting is accounted for as follows: • If the hedged item is recognised at cost, the derivative is also recognised at cost. • As long as the hedged item is not yet recognised in the balance sheet, the hedging instrument is not remeasured in the balance sheet either.
In general, only derivative instruments entered into with an external party qualify as hedging instruments. However, for hedges of foreign exchange risk only, non-derivative financial instruments may qualify as hedging instruments.	Like IFRS, in general, only derivative instruments entered into with an external party qualify as hedging instruments. For hedges of foreign exchange risk only non-derivative financial instruments may qualify as hedging instruments.
The hedged risk should be one that could affect profit or loss.	Like IFRS, the hedged risk should be one that could affect profit or loss.
Effectiveness testing is conducted on both a prospective and a retrospective basis. In order for a hedge to be effective, changes in the fair value or cash flows of the hedged item attributable to the hedged risk should be offset by changes in the fair value or cash flows of the hedging instrument within a range of 80–125 percent.	Like IFRS, effectiveness testing is conducted on both a prospective and a retrospective basis. The effectiveness test described under IFRS column is one of the allowed methods. However, there are no quantitative rules ('80-125'). Further, Dutch GAAP states that the level of (in) effectiveness may be determined by comparing the critical terms of the hedge instrument and hedge item.

	If these critical terms are not equal, then the level of (in)effectiveness should be determined by comparing the fair value changes of the hedge instrument and those of the hedge item (see above).
	If the cost price hedge accounting model is used, RJ 290 states that only a cumulative loss (loss as from the date of initial recognition of the financial instrument) is recognised in profit or loss.
Hedge accounting is discontinued prospectively if: the hedged transaction is no longer highly probable; the hedging instrument expires, is sold, terminated or exercised; the hedged item is sold, settled or otherwise disposed of; or the hedge is no longer highly effective.	Like IFRS, hedge accounting is discontinued prospectively if: the hedged transaction is no longer highly probable; the hedging instrument expires, is sold, terminated or exercised; the hedged item is sold, settled or otherwise disposed of; or the hedge is no longer highly effective.
Hedge documentation should be prepared for each individual hedge relation.	Two options for hedge documentation can be used: • individual hedge documentation; • generic hedge documentation for groups of hedging instruments.
References: IAS 32, 39	**References:** CC, RJ 290

6.8 Presentation and disclosures

IFRS	Dutch GAAP
	General — there are less disclosure requirements under Dutch GAAP as it is currently not in line with IFRS 7 and IFRS 13.
A financial asset and a financial liability are offset only when there is both a legally enforceable right to offset, and an intention to settle net or to settle both amounts simultaneously.	Like IFRS, a financial asset and a financial liability are offset only when there is both a legally enforceable right to offset and an intention to settle net or both amounts simultaneously.
Disclosure is required in respect of the significance of financial instruments for the entity's financial position and performance, and the nature and extent of risk arising from financial instruments and how the entity manages those risks.	Like IFRS, disclosure is required in respect of the significance of financial instruments for the entity's financial position and performance and the nature and extent of risk arising from financial instruments and how the entity manages those risks. However, Dutch GAAP provides less detailed disclosure rules as required under IFRS.
For disclosure of the significance of financial instruments, the overriding principle is to disclose sufficient information to enable users of financial statements to evaluate the significance of financial instruments for an entity's financial position and performance.	Like IFRS, for disclosure of the significance of financial instruments, the overriding principle is to disclose sufficient information to enable users of financial statements to evaluate the significance of financial instruments for an entity's financial position and performance. However, Dutch GAAP provides less detailed disclosure rules as required under IFRS.
Risk disclosures require both qualitative and quantitative information.	Like IFRS, qualitative disclosures are required in respect of financial risks and management's approach to managing these risks.
Qualitative disclosures describe management's objectives, policies and processes for managing risks arising from financial instruments.	Unlike IFRS, only significant contractual terms and conditions of, and accounting policies applied to, all financial instruments must be disclosed.
Quantitative data about the exposure to risks arising from financial instruments is based on information provided internally to key management. However, certain disclosures about the entity's exposures to credit risk, liquidity risk and market risk arising from financial instruments are required, irrespective of whether this information is provided to management.	Like IFRS, the fair value of instruments not carried at fair value in the financial statements must be disclosed. In addition, disclosure is required for methods used and significant assumptions made for determining fair value.
References: IAS 32, IFRS 7, IFRS 9 and IFRS 13	**References:** CC, RJ 290, RJ 400

7 Appendices

7.1 List of IFRS in issue at 1 January 2018

Reference	Standard / Interpretation
IFRS 1	First-time Adoption of International Financial Standards
IFRS 2	Share-based Payment
IFRS 3	Business Combinations
IFRS 4	Insurance Contracts
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations
IFRS 6	Exploration for and Evaluation of Mineral Assets
IFRS 7	Financial Instruments: Disclosures
IFRS 8	Operating Segments
IFRS 9	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases (as of 1 January 2019)
IFRS 17	Insurance contracts (as of 1 January 2021 or later)
IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 17	Leases (replaced by IFRS 16 as of 1 January 2019)
IAS 19	Employee Benefits
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 26	Accounting and Reporting by Retirement Benefit Plans
IAS 27	Separate Financial Statements
IAS 28	Investments in Associates and Joint Ventures
IAS 29	Financial Reporting in Hyperinflationary Economies

Reference	Standard / Interpretation
IAS 32	Financial Instruments: Presentation
IAS 33	Earnings Per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IAS 40	Investment Property
IAS 41	Agriculture
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments
IFRIC 4	Determining whether an Arrangement contains a Lease (replaced by IFRS 16 as of 1 January 2019)
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
IFRIC 9	Reassessment of Embedded Derivatives
IFRIC 10	Interim Financial Reporting and Impairment
IFRIC 13	Customer Loyalty Programmes (replaced by IFRS 15 as of 1 January 2018)
IFRIC 14	IAS 19 - Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine
IFRIC 21	Levies
IFRIC 22	Foreign Currency Translations and Advance Consideration
IFRIC 23	Uncertainty over Income Tax Treatments (as of 1 January 2019)
SIC-7	Introduction of the Euro
SIC-10	Government Assistance - No Specific Relation to Operating Activities
SIC-15	Operating Leases - Incentives (replaced by IFRS 16 as of 1 January 2019)
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease (replaced by IFRS 16 as of 1 January 2019)
SIC-29	Service Concession Arrangements: Disclosures
SIC-32	Intangible Assets - Web Site Costs

7.2 List of RJs in issue at 1 January 2018

Reference	Standard / Interpretation
RJ 100	Introduction
RJ 110	Objectives and basic assumptions
RJ 115	Criteria for recognition and disclosure of information
RJ 120	Valuation principles
RJ 121	Impairments of fixed assets
RJ 122	Valuation principles for foreign currencies
RJ 135	General principles for the determination of the result
RJ 140	Changes in accounting policies
RJ 145	Changes in accounting estimates
RJ 150	Correction of errors
RJ 160	Events after the balance sheet date
RJ 170	Discontinuity and significant doubts on going concern
RJ 190	Other general matters
RJ 210	Intangible fixed assets
RJ 212	Tangible fixed assets
RJ 213	Investment property
RJ 214	Financial fixed assets
RJ 215	Joint ventures
RJ 216	Mergers and acquisitions
RJ 217	Consolidation
RJ 220	Inventories
RJ 221	Work in progress and construction contracts
RJ 222	(Non-current) receivables
RJ 224	Prepayments and accrued income
RJ 226	Securities
RJ 228	Cash and cash equivalents
RJ 240	Equity
RJ 252	Provisions, contingent liabilities and contingent assets
RJ 254	(Non-)current liabilities
RJ 258	Accruals and deferred income
RJ 260	Revenue recognition on intercompany transactions
RJ 265	Comprehensive income statement
RJ 270	Income statement
RJ 271	Employee benefits
RJ 272	Income taxes
RJ 273	Borrowing costs

Reference	Standard / Interpretation
RJ 274	Government grants and comparable facilities
RJ 275	Share based payments
RJ 290	Financial instruments
RJ 292	Leasing
RJ 300	Function and arrangement
RJ 305	Exemptions for group companies
RJ 315	Exemptions for medium-sized legal entities
RJ 330	Related parties
RJ 340	Earnings per share
RJ 345	Discontinuing operations
RJ 350	Segment information
RJ 360	Cash flow statement
RJ 390	Other information to be included in the notes
RJ 394	Interim reports
RJ 396	Publication
RJ 398	Audit
RJ 400	Management report
RJ 405	Report of Supervisory Board
RJ 410	Other information
RJ 420	Profit appropriation, treatment of losses
RJ 430	Key figures, ratios and historical summaries
RJ 500	Country information - reporting of payments to governments
RJ 600	Banks
RJ 605	Insurance companies
RJ 610	Pension funds
RJ 611	Premium pension institutions
RJ 615	Investment entities
RJ 620	Cooperatives
RJ 630	Commercial foundations and associations
RJ 640	Non-profit organisations
RJ 645	Officially recognised social housing institutions
RJ 650	Fund-raising institutions
RJ 655	Health institutions
RJ 660	Education institutions
RJ 655	Health institutions
RJ 660	Education institutions

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