

IFRSs and NL GAAP  
Highlighting the key differences



# Contacts

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- a complete history of adoption of IFRSs around the world;
- updates on developments in national accounting standards; and
- comparisons between IFRSs and local GAAPs.

# Foreword

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Welcome to the seventh edition of 'IFRSs and NL GAAP, A pocket comparison'. The objective of this publication is to provide a summary of key differences between the requirements of IFRSs compared to NL GAAP. This publication does not attempt to capture all of the differences between IFRSs and NL GAAP that may exist or that may be material to a particular company's financial report.

Our analysis shows that there are many differences between IFRSs and NL GAAP. We expect that the number of differences will increase in the future. The IASB has recently published IFRS 15 'Revenue from Contracts with Customers' and a completed IFRS 9 'Financial Instruments'. This standard includes a revised model for classification and measurement, an expected loss impairment model and a reformed approach to hedge accounting. The IASB is still working on other projects (e.g. leases) which could lead to major changes to current IFRSs. However, NL GAAP has evolved into a more stable platform. Before 2005 the DAsB had a strategy to implement changes to IFRSs into its own standards. But the strategy of the DAsB was changed as a consequence of the adoption of IFRSs by the European Union. The current strategy of the DAsB is to focus on financial reporting standards for non-listed entities. As a consequence, we expect that many current differences between IFRSs and NL GAAP will remain and that not all changes to IFRSs will be implemented in DAsBs. This will lead to an increase of the number of differences.

The goal of this publication is to provide you with a clear and practical oversight of the key differences between IFRSs and NL GAAP and the developments herein. Therefore, we publish this comparison on a yearly basis.

We trust that you will find this publication a useful tool to keep you informed about the main differences between IFRSs and NL GAAP.



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# Comparison of IFRSs and NL GAAP

The table on the following pages sets out some of the key differences between IFRSs and NL GAAP for annual periods beginning on or after 1 January 2014. The table also includes new and revised IASB Standards issued before 31 July 2014 that have not yet become effective for annual periods beginning on or after 1 January 2014. We refer to the end notes for the date on which new and revised Standards must be applied.

The summary does not attempt to capture all of the differences that exist or that may be material to a particular entity's financial statements. Our focus is on differences that are commonly found in practice.

The significance of these differences – and others not included in this list – will vary with respect to individual

entities, depending on such factors as the nature of the entity's operations, the industry in which it operates, and the accounting policy choices it has made. Reference to the underlying accounting standards and any relevant national regulations is essential in understanding the specific differences.

The rate of progress being achieved by the IASB to improve accounting standards means that a comparison between standards can only reflect the position at a particular point in time. You can keep up to date on later developments through our IAS Plus website, which sets out the IASB agendas and timetables, as well as project summaries and updates.

Abbreviations used in this publication are as follows:

|         |  |
|---------|--|
| DAS(s)  | Dutch Accounting Standard(s)   |
| DASB    | Dutch Accounting Standards Board   |
| FVTOCI  | Fair value through other comprehensive income  |
| FVTPL   | Fair value through profit or loss  |
| IASB    | International Accounting Standards Board   |
| IAS     | International financial reporting standard created by the predecessor body of the IASB and adopted by the IASB when it took over in 2001                   |
| IFRIC   | Interpretation developed by the IFRS Interpretations Committee   |
| IFRS(s) | International Financial Reporting Standard(s)  |
| NL GAAP | Generally Accepted Accounting Standards in the Netherlands, comprising the Netherlands Civil Code and the Dutch Accounting Standards published by the DASB |
| SIC     | Interpretation developed by the IASB's predecessor body and its interpretative committee   |

| IAS/IFRS | Topic  | IFRSs  | NL GAAP   |
|----------|--|--|---|
| IFRS 1   | General approach   | Less 'principles-based' standards with more application guidance.  | More 'principles-based' standards with more options and less application guidance.  |
| IFRS 2   | First-time adoption  | General principle is full retrospective application of IFRSs in force at the time of adoption, unless the exemptions in IFRS 1 permit or require otherwise.  | No specific standard. Practice is generally full retrospective application unless the transitional provisions in a specific standard require otherwise.   |
| IFRS 2   | Equity-settled share-based payments                                  | For equity-settled share-based payment transactions the goods or services received are measured at fair value, unless that fair value cannot be estimated reliably.  | DASs contain an alternative treatment allowing to measure equity-settled share-based payments with employees at their intrinsic value, initially at the grant date and subsequently at the end of each reporting period and at the date of final settlement, with any change in intrinsic value recognised in profit or loss. |
| IFRS 3   | Share-based payments among group entities                            | An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. | DASs contain no specific guidance.<br><br>IFRS treatment is allowed.  |
| IFRS 3   | Accounting method  | All business combinations shall be accounted for using the acquisition method. The pooling of interests method is prohibited.  | The acquisition method is required for combinations classified as acquisitions and the pooling of interests method is required for combinations classified as uniting of interests.   |
| IFRS 3   | Recognising a liability for a planned post-acquisition restructuring | The cost of restructuring the acquiree is recognised as a liability as part of the acquisition accounting only if it is a liability of the acquiree at the acquisition date.   | An acquirer is required to recognise as part of the acquisition accounting a provision for terminating or reducing the activities of the acquiree that was not a liability of the acquiree at the acquisition date, provided the acquirer satisfies specified criteria.   |
|          | Recognising contingent liabilities of acquiree                       | An acquirer shall recognise separately the acquiree's contingent liabilities (as defined in IAS 37) at the acquisition date as part of allocating the cost of a business combination, provided their fair values can be measured reliably.               | An acquirer shall not recognise separately the acquiree's contingent liabilities. Such contingent liabilities are subsumed within the amount recognised as goodwill or negative goodwill.   |

| IAS/IFRS | Topic   | IFRSs  | NL GAAP  |
|----------|---|--|--|
| IFRS 3   | Intangibles   | An intangible asset is recognised separately from goodwill when it meets the definition of an intangible asset. The probability recognition criterion and the reliable measurement criterion are always considered to be satisfied for intangible assets acquired in a business combination. | An intangible asset is recognised separately from goodwill when it meets the definition of an intangible asset, its fair value can be measured reliably and it is probable that any associated future economic benefits will flow to the acquirer.   |
| IFRS 3   | Deferred tax assets and liabilities   | In determining its fair value, acquired tax assets and liabilities shall be measured against nominal value. That means discounting is not allowed.   | As an alternative, DASs allow acquired tax assets and liabilities to be discounted.  |
| IFRS 3   | Goodwill  | Goodwill shall be capitalised, but shall subsequently not be amortised. Instead, it shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired.  | <p>The benchmark treatment is that goodwill shall be capitalised and subsequently systematically amortised over its useful life. There is a rebuttable presumption that the useful life of goodwill will not exceed twenty years from initial recognition.</p> <p>An entity shall, at least at each financial-year end, estimate the recoverable amount of goodwill that is amortised over a period exceeding twenty years from initial recognition, even if no indication exists that it is impaired.</p> <p>Based on Dutch law, DASs also permit the method by which goodwill is deducted immediately from equity or accounted for as expense in profit or loss.</p> |
| IFRS 3   | Excess of fair value of net assets acquired over the acquisition cost (negative goodwill) | A bargain purchase gain shall be recognised.   | <p>Negative goodwill shall be recognised as a separate accrual under the liabilities.</p> <p>To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquirer's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities at the date of acquisition, that portion of negative goodwill shall be recognised as income in profit or loss when the future losses and expenses are recognised.</p>   |

| IAS/IFRS | Topic                     | IFRSs   | NL GAAP  |
|----------|---------------------------|---|--|
|          |                           |   | <p>To the extent that negative goodwill does not relate to identifiable expected future losses and expenses that can be measured reliably at the date of acquisition, negative goodwill shall be recognised as income in profit or loss as follows:</p> <ul style="list-style-type: none"> <li>the amount of negative goodwill not exceeding the fair values of acquired identifiable non-monetary assets shall be recognised as income on a systematic basis over the remaining weighted average useful life of the identifiable, acquired, depreciable/amortisable assets; and</li> <li>the amount of negative goodwill in excess of the fair values of acquired, identifiable non-monetary assets shall be recognised as income immediately.</li> </ul> |
| IFRS 3   | Acquisition-related costs | Recognise immediately as an expense in profit or loss. The costs to issue debt or equity securities shall be recognised in accordance with IAS 32 and IAS 39.   | Recognise as part of the cost of acquisition. The costs to issue debt or equity securities shall be recognised in accordance with DAS 290 'Financial instruments'.   |
| IFRS 3   | Contingent consideration  | <p>Contingent consideration must be measured at fair value at the acquisition date as part of the consideration transferred. Subsequent changes in the fair value of contingent consideration that result from additional information about facts and circumstances that existed at the acquisition date that the acquirer obtains during the measurement period are measurement period adjustments. These adjustments affect the cost of the acquisition (and therefore goodwill).</p> <p>The measurement period cannot be longer than one year from the acquisition date.</p> | <p>Contingent consideration must be recognised as part of the cost of the acquisition if the contingent consideration is probable and can be measured reliably. If the amount of contingent consideration changes as a result of a post-acquisition event, the cost of the acquisition (and therefore goodwill) shall be adjusted accordingly.</p> <p>DASs contain no maximum period for these contingent consideration adjustments.</p>   |

| IAS/IFRS | Topic  | IFRSs  | NL GAAP   |
|----------|--|--|---|
| IFRS 3   | Goodwill and non-controlling interests           | <p>An entity is permitted to measure non-controlling interests in the acquiree at either:</p> <ul style="list-style-type: none"> <li>• fair value; or</li> <li>• its proportionate share in the recognised net asset value of the acquiree.</li> </ul> <p>The fair value alternative is known as the 'full goodwill method'. An alternative may be elected for each business combination separately.</p>   | The 'full goodwill method' is not permitted.  |
| IFRS 3   | Step acquisition                                 | <p>A previously held equity interest in the acquiree shall be remeasured at its acquisition-date fair value. A resulting gain or loss shall be recognised in profit or loss.</p> <p>The unit of account for the remeasurement at fair value is the equity interest itself.</p>   | <p>The recognised assets and liabilities corresponding with the previous held equity interest in the acquiree could (not shall) be remeasured. Any resulting remeasurement to previously recognised assets and liabilities shall be credited directly to equity (as a revaluation reserve).</p> <p>The unit of account for the remeasurement at fair value are the recognised assets and liabilities.</p> |
| IFRS 3   | Pre-existing relationships and reacquired rights | <p>If an acquirer and an acquiree were parties to a pre-existing relationship, this must be accounted for separately from the business combination. In most cases, this will lead to the recognition of a gain or loss for the amount of the consideration transferred to the vendor, which effectively represents a 'settlement' of the pre-existing relationship.</p> <p>However, where the transaction effectively represents a reacquired right, an intangible asset is recognised and measured on the basis of the remaining contractual term of the related contract excluding any renewals. The asset is subsequently amortised over this remaining contractual term.</p> | <p>DASs contain no specific guidance.</p> <p>IFRS treatment is allowed.</p>   |

| IAS/IFRS | Topic   | IFRSs  | NL GAAP   |
|----------|---|--|---|
| IFRS 3   | Common control transactions                           | No guidance on how the entity receiving a business under common control should account for the transaction.  | The entity receiving a business under common control may use the acquisition method if the transaction has economic substance from the perspective of the reporting entity. In all other situations the entity shall apply the pooling of interests method or carryover accounting method.                |
| IFRS 4   | Rights and obligations under insurance contracts      | IFRS 4 only briefly addresses recognition and measurement. It is an interim standard, pending completion of a comprehensive project.   | DASB has published an accounting standard for insurance companies. Many differences exist between this accounting standard and IFRS 4.  |
| IFRS 5   | Non-current assets (or disposal groups) held for sale | Specific requirements to account for non-current assets (or disposal groups) held for sale.  | No requirements for non-current assets (or disposal groups) held for sale.  |
| IFRS 6   | Exploration for and evaluation of mineral resources   | Specific extractive industry guidance for the recognition, measurement and disclosure of expenditure incurred on the exploration for and evaluation of mineral resources.                                | DASs contain no specific guidance.<br>IFRS treatment is allowed.  |
| IFRS 7   | Disclosures relating to financial instruments         | Qualitative and quantitative information required about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. | Disclosure requirements are similar to the previous requirements in IAS 32 (2004).  |
| IFRS 8   | Segment reporting                                     | Disclosure of segment information is required by those entities whose equity or debt instruments are traded in a public market.  | Netherlands Civil Code requires that large legal entities disclose information on net turnover by industry and/or by geographical area.<br><br>If an entity chooses to disclose additional segment information, the entity is recommended to apply the guidance of DAS 350 regarding segment information. |

| IAS/IFRS | Topic                             | IFRSs   | NL GAAP  |
|----------|-----------------------------------|---|--|
| IFRS 9   | Measurement of debt instruments   | <p>A debt instrument that (1) is held within a business model whose objective is to collect the contractual cash flows and (2) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortised cost unless it is designated at FVTPL. A debt instrument that (1) is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (2) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at FVTOCI unless it is designated at FVTPL.</p> <p>The option to designate at FVTPL is available as an alternative provided that designating at FVTPL eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch').</p> <p>All other debt instruments must be measured at FVTPL.</p> | <p>Debt instruments that classify as part of the trading portfolio shall be measured at FVTPL.</p> <p>Purchased loans and bonds held until the end of the term are measured at amortised cost.</p> <p>Other purchased loans and bonds are measured at amortised cost or at fair value. For purchased loans and bonds measured at fair value an entity can opt to recognise changes in fair value directly in profit or loss (FVTPL) or, to the extent the aggregate of the revaluation is positive, to recognise it in the shareholders' equity until it is realised.</p> <p>Loans granted and other receivables are measured at amortised cost.</p> |
| IFRS 9   | Measurement of equity instruments | <p>All equity instruments (e.g. shares) are to be measured at fair value with the default recognition of gains and losses in profit or loss. Only if an equity instrument is not held for trading an irrevocable election can be made at initial recognition to measure it at FVTOCI with only dividend income recognised in profit or loss. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss.</p>   | <p>Investments in listed equity instruments are measured at FVTPL.</p> <p>Investments in non-listed equity instruments are measured at cost or at fair value. For investments in non-listed equity instruments measured at fair value an entity can opt to recognise changes in fair value directly in profit or loss (FVTPL) or, to the extent the aggregate of the revaluation is positive, to recognise it in the shareholders' equity until it is realised.</p>  |

| IAS/IFRS | Topic                                | IFRSs   | NL GAAP   |
|----------|--------------------------------------|---|---|
| IFRS 9   | Measurement of derivatives           | All derivatives within the scope of IFRS 9 are required to be measured at FVTPL (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)   | <p>Derivatives with a listed underlying value shall be measured at FVTPL.</p> <p>Derivatives with a non-listed underlying value are measured at cost or FVTPL. If derivatives are measured at cost an impairment loss shall be recognised when the fair value is lower than the cost unless cost price hedge accounting is.</p> |
| IFRS 9   | Measurement of financial liabilities | <p>For a financial liability designated as at FVTPL using the fair value option, the change in the liability's fair value attributable to changes in the liability's credit risk is recognised directly in other comprehensive income, unless it creates or increases an accounting mismatch. The amount that is recognised in other comprehensive income is not recycled when the liability is settled or extinguished.</p> <p>The option to designate a financial liability at FVTPL is available provided that designating at FVTPL eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') or the condition of IFRS 9.4.2.2 under b applies.</p> | A financial liability cannot be designated as at FVTPL.   |
| IFRS 9   | Impairment of assets                 | Expected loss impairment model. Under this model, expected credit losses are accounted for from the date when financial instruments are first recognised. Entities are required to recognise 12-month expected credit losses, or, where credit risk has increased significantly since initial recognition, lifetime expected credit losses.   | Incurred loss impairment model. Under this model, evidence of a loss (a trigger event) is necessary before an impairment loss is recognised.  |

| IAS/IFRS | Topic   | IFRSs  | NL GAAP  |
|----------|---|--|--|
| IFRS 9   | Types of hedge accounting   | <p>IAS 39 identifies three types of hedge accounting treatments:</p> <ul style="list-style-type: none"> <li>• fair value hedge accounting;</li> <li>• cash flow hedge accounting; and</li> <li>• hedging a net investment in a foreign entity.</li> </ul>                          | <p>The types of hedge accounting under IFRS 9 are applicable. However, NL GAAP also identifies cost price hedge accounting. In the event of cost price hedge accounting recognition occurs as follows:</p> <ul style="list-style-type: none"> <li>• as long as the hedged item is not yet recognised in the balance sheet, the hedge instrument is not revalued;</li> <li>• if the hedged item is recognised in the balance sheet and comprises a foreign currency monetary item, the derivative insofar it has foreign currency components, is measured using the rate as at balance sheet date;</li> <li>• when the results of the hedged position are recognised in profit or loss, the related result on the hedge instrument is also recognised in profit or loss.</li> </ul> |
| IFRS 9   | Hedging instruments   | Derivatives and non-derivatives measured at FVTPL are eligible hedging instruments for hedge accounting.   | Hedging instruments are limited to derivatives, with a single exception that non-derivative financial instruments can be used to hedge foreign currency risk.  |
| IFRS 10  | Consolidated financial statements                                       | A parent shall consolidate investees over which it has control. The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns. | Consolidated financial statements shall include the financial data of the parent itself, subsidiaries in the group, other group companies and other legal entities over which it can exert control or over which it has central management.  |
| IFRS 10  | Subsidiary acquired with the intention to dispose of in the near future | Consolidation is required. If on acquisition the subsidiary meets the criteria of IFRS 5, it shall be accounted for in accordance with that standard.  | Consolidation is not required.   |
| IFRS 10  | Consolidation exemption for small-sized groups                          | No exemption.  | Consolidation is not required for small-sized groups.  |

| IAS/IFRS | Topic   | IFRSs  | NL GAAP   |
|----------|---|--|---|
| IFRS 10  | Consolidation exemption for intermediate holdings                                 | Intermediate holdings need not present consolidated financial statements if, among other requirements, the ultimate or any intermediate parent of the intermediate holding produces consolidated financial statements for public use that comply with IFRSs.   | Intermediate holdings need not present consolidated financial statements if, among other requirements, the financial information which the intermediate holding shall consolidate has been included in the consolidated financial statements of the ultimate or any intermediate parent and these consolidated financial statements have been prepared for public use in accordance with the provisions of the Seventh Directive of the EU on Company Law or in an equivalent manner (IFRSs and other high quality GAAPs included). |
| IFRS 10  | Investment entity   | An investment entity shall not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity. Instead, an investment entity shall measure an investment in a subsidiary at FVTPL. If an investment entity has a subsidiary that provides services that relate to the investment entity's investment activities, it shall consolidate that subsidiary. | An investment entity does not have to consolidate subsidiaries if for these subsidiaries a concrete exit strategy is formulated ever since the date of acquisition.   |
| IFRS 10  | Partial disposal of an investment in a subsidiary that results in loss of control | The investment retained shall be measured at fair value at the date when control is lost.<br><br>Any difference between fair value and carrying amount is part of the gain or loss on the 'loss of control' transaction.   | Although not treated specifically a gain or loss is only allowed for the part of the investment that is sold.   |
| IFRS 10  | Partial disposal of an investment in a subsidiary while control is retained       | This is accounted for as an equity transaction with owners (a transaction between the shareholders of the parent entity and the shareholders of the non-controlling interests). Hence, no gain or loss is recognised.  | DASs contain no specific guidance.<br><br>IFRS treatment is allowed.  |
| IFRS 10  | Acquiring additional shares in the subsidiary after control was obtained          | This is accounted for as an equity transaction with owners. Hence, acquisition accounting is not allowed for these acquisitions.   | DASs contain no specific guidance.<br><br>IFRS treatment is allowed.  |

| IAS/IFRS | Topic  | IFRSs  | NL GAAP   |
|----------|--|--|---|
| IFRS 10  | Non-controlling interests (minority interests) | Losses in a subsidiary shall be allocated to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.   | Losses in a subsidiary may create a debit balance on minority interests only if the minority has an obligation to fund losses.  |
| IFRS 11  | Joint arrangements                             | Joint arrangements are classified as either joint operations (combining the NL GAAP concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the NL GAAP concept of a jointly controlled entity).   | Joint arrangements are classified as jointly controlled entities, jointly controlled operations or jointly controlled assets.   |
| IFRS 11  | Accounting for joint arrangements              | <p>A joint venturer shall recognise its interest in a joint venture as an investment which it shall account for using the equity method.</p> <p>A joint operator shall recognise its assets, liabilities, revenues and expenses in relation to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.</p> | <p>Investments in jointly controlled entities are measured at net asset value or accounted for using the proportionate consolidation method.</p> <p>In respect of its interest in jointly controlled operations, a venturer shall recognise the assets that it controls, the liabilities that it incurs, the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint operation.</p> <p>In respect of its interest in jointly controlled assets, a venturer shall recognise its share of the assets, liabilities, costs and revenue (proportionate consolidation).</p> |
| IFRS 11  | Loss of joint control                          | If an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.   | <p>DASs contain no specific guidance.</p> <p>IFRS treatment is allowed.</p>   |
| IFRS 12  | Disclosure of interests in other entities      | Requires disclosures about interest in subsidiaries, joint arrangements, associates and unconsolidated structured entities.  | The disclosure requirements under NL GAAP are less comprehensive.   |
| IFRS 13  | Fair value measurement                         | Defines fair value and requires disclosures about fair value measurements.   | Definition of fair value is based on guidance within IFRSs before the introduction of IFRS 13. The disclosure requirements about fair value measurements under NL GAAP are less comprehensive.  |

| IAS/IFRS | Topic  | IFRSs  | NL GAAP   |
|----------|--|--|---|
| IFRS 14  | Rate regulated activities                          | IFRS 14 allows rate-regulated entities to continue recognizing regulatory deferral accounts in connection with their first-time adoption of IFRS. Existing IFRS preparers are prohibited from adopting this standard.  | DASs contain no such guidance.  |
| IFRS 15  | Revenue from contracts with customers              | IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The core principle is that an entity recognises revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. | Revenue recognition requirements under DASs are similar to the requirements in IAS 18 and IAS 11 except for pre-completion sales contracts entered into by an entity carrying out a real estate development project (see IFRIC 15).   |
| IAS 1    | Financial statements presentation                  | Specific line items required.  | Prescriptive formats of the balance sheet and profit or loss statement are applicable.  |
| IAS 1    | Other comprehensive income                         | Requirement to present other comprehensive income as part of total comprehensive income. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by IFRSs.  | <p>Large entities shall present a statement of comprehensive income in the consolidated financial statements including items which are recognised directly into equity.</p> <p>Other entities do not have to present a statement of comprehensive income.</p> <p>Changes in revaluation surplus relating to property, plant and equipment, gains and losses arising from translating the financial statements of a foreign operation and other items recognised directly into equity are presented as part of the equity movement disclosure.</p> |
| IAS 1    | Third statement in statement of financial position | A statement at the beginning of the preceding period is required when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements. Related notes to this third balance sheet are not required.                                | <p>DASs contain no specific guidance.</p> <p>IFRS treatment is allowed.</p>   |

| IAS/IFRS | Topic   | IFRSs   | NL GAAP   |
|----------|---|---|---|
| IAS 1    | Departure from a standard when compliance would be misleading                 | Permitted in 'extremely rare' circumstances to achieve a fair presentation. Specific disclosures are required.  | <p>Departure from Netherlands Civil Code is required to the extent necessary to provide a true and fair view. The reasons for departure shall be disclosed.</p> <p>Departure from DASs may only occur with good reasons. There is no requirement to disclose a departure from DASs.</p> |
| IAS 1    | Classification of liabilities on refinancing                                  | Current if refinancing is not completed on or before the balance sheet date.  | Allowed to present as non-current if refinancing is completed before the date of issuance of the financial statements.  |
| IAS 1    | Classification of liabilities due on demand due to violation of debt covenant | Current if the lender has not granted a 12-month waiver on or before the balance sheet date.  | Allowed to present as non-current if the lender has granted a waiver for a period greater than one year before the issuance of the financial statements or when the violation is corrected before the issuance of the financial statements.   |
| IAS 2    | Measurement of inventory  | Inventories shall be measured at the lower of cost and net realisable value.  | Inventories shall be measured at the lower of cost and net realisable value or at current cost ('replacement value').   |
| IAS 2    | Method for determining cost   | LIFO is prohibited.   | LIFO is permitted, but not recommended.   |
| IAS 7    | Statement of cash flows   | All entities are required to present a statement of cash flows.   | Only large and medium-sized legal entities are required to present a statement of cash flows.   |
| IAS 7    | Classification of expenditures on unrecognised assets                         | Only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities.                 | DASs contain no specific requirement.   |
| IAS 8    | Correcting errors   | Material prior period errors shall be recognised retrospectively in the first set of financial statements authorised for issue after their discovery. | Distinction between fundamental and other material errors. Fundamental errors shall be recognised retrospectively in the first set of financial statements authorised for issue after their discovery. Other material errors are recognised in profit or loss.                          |

| IAS/IFRS | Topic  | IFRSs  | NL GAAP  |
|----------|--|--|--|
| IAS 10   | Declared dividends after the balance sheet date    | Declared dividends through holders of equity instruments after the balance sheet date shall not be recognised as a liability at the balance sheet date.  | The balance sheet shall be drawn up before or after the appropriation of profit. If the latter option is used, a difference with IFRSs could arise, because an entity is allowed to present the proposed dividend as a liability at the balance sheet date.  |
| IAS 11   | Definition of a construction contract              | A contract that must be specifically negotiated for the construction of an asset.  | A construction contract is defined in a more broad sense which might lead to a broader application of the percentage of completion method.   |
| IAS 11   | Presentation of construction contracts             | An entity shall present: <ul style="list-style-type: none"> <li>• the gross amount due from customers for contract work as an asset; and</li> <li>• the gross amount due to customers for contract work as a liability.</li> </ul>   | DASs contain an alternative treatment allowing the balance of all construction contracts to be shown as one amount. If this balance is a credit balance it shall be presented as a liability. However, if the alternative treatment is applied an entity shall disclose the gross amount due to customers and the gross amount due from customers. |
| IAS 12   | Revaluation of property, plant and equipment       | Items of property, plant and equipment can be revalued. The difference between the carrying amount of a revalued asset and its tax base is a temporary difference and gives rise to a deferred tax liability.  | The recognition of a deferred tax liability is not required but recommended. However, if no deferred tax liability is recognised, this shall be disclosed including the quantitative effects.  |
| IAS 12   | Recognition of deferred tax assets                 | Recognition of a deferred tax asset if it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is also recognised if the probability of realisation is only connected to the existence of a deferred tax liability relating to revalued assets. | A deferred tax asset is not recognised if the probability of realisation is only connected to the existence of a deferred tax liability relating to revalued assets.   |
| IAS 12   | Measurement of deferred tax assets and liabilities | Not to be discounted.  | Measured at nominal value (undiscounted) or at present value (discounted).   |
| IAS 12   | Deferred tax: recovery of underlying assets        | For the purposes of measuring deferred tax, a rebuttable presumption exists that the carrying amount of an investment property measured using the fair value model in IAS 40 will be recovered entirely through sale.  | DASs contain no rebuttable presumption.  |

| IAS/IFRS | Topic   | IFRSs   | NL GAAP   |
|----------|---|---|---|
| IAS 16   | Costs of decommissioning, restoration and similar liabilities caused by construction of the item of property, plant and equipment | The initial estimate of the costs are included in the initial measurement of the item of property, plant and equipment.   | Allowed to recognise a provision for costs of decommissioning, restoration and similar liabilities over the useful life of an item of property, plant and equipment. The increase of the provision shall be recognised systematically in profit or loss. The increase of the provision shall reflect the pattern in which the related asset's future economic benefits are expected to be consumed by the entity. |
| IAS 16   | Major inspection and maintenance  | Generally accounted for as part of the cost of an asset.  | Allowed to recognise a provision for costs of major inspection and maintenance.   |
| IAS 16   | Selling of Items held for rental  | Entities that routinely sell items of PP&E that they have previously held for rental to others shall transfer such assets to inventories at their carrying amount when they cease to be rented. The proceeds from the sale of such assets shall be recognised as revenue in accordance with IAS 18. | DASs contain no specific guidance.<br><br>IFRS treatment is allowed.  |
| IAS 17   | Initial direct costs of lessors relating to finance leases (other than those involving manufacturer or dealer leases)             | Included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.   | Not required, but allowed. An entity has an alternative to recognise initial direct costs directly in profit or loss.   |
| IAS 17   | Initial direct costs of lessors relating to operating leases  | Added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.  | Not required, but allowed. An entity has an alternative to recognise initial direct costs directly in profit or loss.   |

| IAS/IFRS | Topic   | IFRSs  | NL GAAP   |
|----------|---|--|---|
| IAS 19   | Post-employment benefit plans                           | <p>Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans.</p> <p>For defined contribution plans, the cost to be recognised in the period is the contribution payable in exchange for service rendered by employees during the period.</p> <p>For defined benefit plans, the amount recognised in the balance sheet shall be based on the present value of the defined benefit obligation (in accordance with the projected unit credit method) minus the fair value of plan assets at the balance sheet date.</p> | <p>DASs make a distinction between Dutch (equivalent) post-employment plans and foreign post-employment plans.</p> <p><b>Dutch plans</b><br/>The entity recognises the contribution to be paid to the pension provider (an independent body in the Netherlands) as an expense.</p> <p>The entity must assess on the basis of the administration agreement whether and, if so, which liabilities exist at the balance sheet date in addition to the annual contributions payable to the pension provider.</p> <p>In addition to the liabilities owed to the pension provider, there may also be liabilities that are owed to employees. These latter may arise, among other things, from fully or partially unfunded pension commitments.</p> <p><b>Foreign (non-Dutch equivalent) plans</b><br/>DASs require a best estimate for the benefit obligations of these plans according to a generally accepted actuarial method. The liability is considered to be owed to the employee which approach is similar to IAS 19. However, DASs contain no specific measurement guidance.</p> |
| IAS 19   | Presentation of defined benefit cost                    | <p>The defined benefit cost comprises:</p> <ul style="list-style-type: none"> <li>• service cost recognised in profit or loss;</li> <li>• net interest on the net defined benefit liability (asset) recognised in profit or loss; and</li> <li>• remeasurements recognised in OCI.</li> </ul>  | <p>DASs prescribe that pension expense shall be part of the operational result within profit or loss.</p>   |
| IAS 19   | Pension accounting: partial adoption of IFRS or US GAAP | <p>Not allowed to use other standards than those included in IFRSs.</p>  | <p>Entities are allowed to apply US GAAP or IFRS standards relating to pensions and other 'post retirement benefits' in their financial statements, subject to the condition that these specific standards are applied integrally.</p>  |

| IAS/IFRS | Topic   | IFRSs  | NL GAAP   |
|----------|---|--|---|
| IAS 19   | Distinction between short-term and long-term employee benefits  | IAS 19 'Employee Benefits' makes a distinction between short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits. Short-term benefits are benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. In case of paid absences not meeting the short-term benefit definition, such employee benefits classify as other long-term employee benefits. In that case, the accounting occurs in a similar manner as the accounting for post-employment benefits, except that all actuarial gains and losses and past service costs are recognised immediately in profit or loss. A liability shall be recognised for the present value of the obligation. | DASs distinguish between employee benefits during employment, pensions, early retirement and other post-employment benefits and termination benefits. There is no definition of short-term employee benefits given in DASs. As a result there is no clear requirement when and for which components (in terms of unit of account) accounting should take place in a similar manner as post-employment benefits (including discounting). |
| IAS 19   | Long-term disability benefits (non-accumulating)  | Expected costs shall be recognised as a liability when an event occurs that causes long-term disability.   | A liability shall only be recognised if certain conditions are met. One of these conditions is that the recovery of the employee is not expected during the remaining service period (a seemingly strict condition). This condition does not exist in IFRS. As a result, we expect that application of NL GAAP will lead to fewer situations in which a provision for disability benefits should be recognised.                         |
| IAS 20   | Non-monetary government grants  | Recognised at fair value or at a nominal amount.   | DASs contain no specific requirements. On the basis of general DASs requirements, measurement at fair value better reflects economic reality.   |
| IAS 21   | Goodwill arising as a result of the acquisition of a foreign entity and any fair value adjustments to the carrying amounts of assets and liabilities arising as a result of the acquisition | Shall be treated as assets and liabilities of the foreign operation. Hence, they shall be expressed in the functional currency of the foreign operation and shall be translated to the presentation currency at the closing rate.  | Any goodwill arising as a result of the acquisition of a foreign entity and any fair value adjustments to the carrying amounts of assets and liabilities arising as a result of the acquisition shall be treated as either: <ul style="list-style-type: none"> <li>• assets and liabilities of the foreign operation (like IFRS); or</li> <li>• assets and liabilities of the acquirer.</li> </ul>                                      |

| IAS/IFRS | Topic   | IFRSs  | NL GAAP  |
|----------|---|--|--|
| IAS 21   | Cumulative amount of the exchange differences deferred in a separate component of equity relating to a disposed foreign operation | Shall be recognised in profit or loss when the gain or loss on disposal is recognised.   | Recognition in profit or loss is only recommended. Under the alternative allowed it may be transferred directly to other reserves.   |
| IAS 23   | Borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale                         | Capitalisation is mandatory.   | Capitalisation is an available accounting policy choice. It is also allowed to expense borrowing costs in profit or loss.  |
| IAS 24   | Related party disclosures   | Disclosure of transactions with related parties is required.   | Significant transactions that have been entered into by the entity with related parties under irregular market ('not at arm's length') conditions must be disclosed. This disclosure requirement does not apply to medium-sized legal entities (unless the entity is a public limited company) and small-sized legal entities. |
| IAS 24   | Government-related entities   | Simplified disclosure requirements for transactions with government-related entities.  | DASs contain no specific disclosure requirements for transactions with government-related entities.  |
| IAS 26   | Reporting by retirement benefit plans   | Specific guidance for the accounting and reporting by retirement benefit plans.  | In general, the guidance in DAS 610 regarding pension funds is comparable.   |
| IAS 27   | Separate financial statements   | In the parent's separate financial statements investments in subsidiaries, associates and joint ventures (other than those that are classified as held for sale under IFRS 5) are accounted for either at cost or in accordance with IAS 39. | In the parent's company-only financial statements investments in subsidiaries, associates and joint ventures are accounted for at the net asset value (goodwill is presented separately).  |

| IAS/IFRS | Topic                         | IFRSs  | NL GAAP   |
|----------|-------------------------------|--|---|
| IAS 28   | Definition of associate       | An entity in which the investor has significant influence and which is neither a subsidiary nor a joint venture.   | An entity holds an associate if the entity, or one of its subsidiaries, has provided capital for its own account for furthering its own business activities by establishing a long-term relationship.   |
| IAS 28   | Measurement of associates     | Associates shall be accounted for by using the equity method in consolidated financial statements and individual financial statements. However, the investor does not apply the equity method when presenting separate financial statements prepared in accordance with IAS 27. In the separate financial statements investments in associates, joint ventures and subsidiaries that are not classified as held for sale in accordance with IFRS 5 shall be accounted for either at cost or in accordance with IAS 39. | <p>A distinction is made between associates ('deelnemingen') in which significant influence is exercised and other associates. This distinction is made for measurement purposes.</p> <p>An associate in which significant influence is exercised shall be measured at the net asset value (goodwill is presented separately) in consolidated financial statements and company-only financial statements.</p> <p>In the company-only financial statements investments in subsidiaries and joint ventures shall be measured at the net asset value (goodwill is presented separately).</p> <p>An investor may deviate from the net asset value when insufficient data is available. The associate shall then be valued at the so-called visible equity value of the associate.</p> <p>A deviation from the net asset value is also allowed if there are grounded reasons for this departure. The reasons shall be disclosed in the financial statements.</p> |
| IAS 28   | Measurement of non-associates | Non-associates (no significant influence) shall be accounted for as financial instruments in accordance with IAS 39.   | <p>Associates ('deelnemingen') in which no significant influence is exercised shall be measured by using the cost method or by using current (fair) value (with value differences recorded in a revaluation reserve).</p> <p>Non-associates shall be accounted for as financial instruments in accordance with DAS 290.</p>   |

| IAS/IFRS | Topic  | IFRSs  | NL GAAP   |
|----------|--|--|---|
| IAS 28   | Investment in an associate that is classified as held for sale in accordance with IFRS 5             | Shall not be accounted for using the equity method, but is measured at the lower of its carrying amount and fair value less cost to sell.  | No accounting concept for assets held for sale. Therefore, the general rules on measurement continue to apply.  |
| IAS 28   | Associates held by venture capital organizations, investment funds, unit trusts and similar entities | No requirement to apply equity method provided that upon initial recognition such investments are designated upon initial recognition as at FVTPL.   | There is no exemption for venture capital organisations and similar entities. However, under NL GAAP an interest in another entity will not classify as an associate if the definition of an associate ('deelnemings') is not met ('providing capital for its own account for furthering its own business activities by establishing a long-term relationship'). Non-associates shall be accounted for as financial instruments in accordance with DAS 290. |
| IAS 28   | Goodwill relating to associates and joint ventures measured in accordance with equity method         | <p>The initial measurement of an investment in an associate is based on the cost of acquisition. The concepts underlying the procedures used in accounting for the acquisition of a subsidiary are also adopted in accounting for the acquisition of an investment in an associate or joint venture.</p> <p>Goodwill is included in the carrying amount of the investment. However, amortisation is not permitted. Instead, the entire carrying amount of the investment is tested for impairment under IAS 36 'Impairment of Assets', whenever application of the requirements in IAS 39 indicates that the investment may be impaired.</p> | <p>The recognition is based on the investor's share of the fair value of the net identifiable assets of the associate. Any goodwill shall be recognised and presented separately as an intangible asset.</p> <p>Goodwill is accounted for in accordance with the accounting for goodwill relating to subsidiaries.</p>  |
| IAS 28   | Excess of fair value of net assets acquired over the acquisition cost (negative goodwill)            | Recognised immediately as a gain.  | Similar to the accounting of negative goodwill relating to subsidiaries (we refer to the differences relating to IFRS 3).   |
| IAS 28   | Loss of significant influence  | On loss of significant influence, the remaining investment is remeasured to its fair value at that date, with the gain or loss recognised in profit or loss. Thereafter, IAS 39 is applied to the remaining investment.  | On loss of significant influence the last known carrying amount under the net asset value shall be the basis for subsequent measurement at cost or fair value.  |

| IAS/IFRS | Topic   | IFRSs  | NL GAAP  |
|----------|---|--|--|
| IAS 32   | Classification as equity or liability   | In the consolidated financial statements, individual and separate financial statements an instrument is classified as a liability if the issuer could be obliged to settle in cash or another financial instrument.  | In the consolidated financial statements the classification of financial instruments by issuers is similar to IFRS, with some exceptions.<br><br>In the company-only financial statements the classification of financial instruments by the issuer is based on the legal form of an instrument.   |
| IAS 32   | Preference shares with contingent dividends depending on the availability of future profit  | Classification as a liability is required, because the payment of dividend is not at the discretion of the issuer (cannot be avoided indefinitely).  | Classification as equity instrument or as financial liability (accounting policy choice which shall be disclosed by entity). DASs consider dividend payments based on the availability of future profit a basic feature of an equity instrument.   |
| IAS 32   | Financial instrument that contains both a liability and an equity element   | The issuer shall classify the instrument's component parts separately in accordance with the substance of the contractual arrangement on initial recognition and the definitions of a financial liability and an equity instrument.  | The issuer may, but is not required to, classify the instrument's components separately in accordance with the substance of the contractual arrangement on initial recognition and the definitions of a financial liability and an equity instrument. If an entity chooses not to recognise components separately, the instrument is classified based on the prevailing characteristics of the instrument. |
| IAS 32   | Puttable instruments at fair value  | Classified as equity if they are subordinated to all other classes of instruments and if certain other criteria are met.   | Classification as equity is allowed, but not required if they are subordinated to all other classes of instruments and if certain other criteria are met.  |
| IAS 32   | Classification of rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer | Rights issues where the holder has the right to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are classified as an equity instrument if, and only if, the entity offers the financial instrument pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. | DASs contain no specific guidance for the classification of rights issues that are denominated in a currency other than the functional. We believe that the IFRS treatment is an acceptable alternative under NL GAAP.   |

| IAS/IFRS | Topic                                       | IFRSs   | NL GAAP  |
|----------|---|---|--|
| IAS 36   | Timing of impairment tests                  | An impairment test shall be performed if an indication of impairment exists, except for intangible assets with indefinite useful lives, intangible assets not yet in use and goodwill acquired in a business combination. For these assets an impairment test shall be performed at least annually.   | An impairment test shall be performed if an indication of impairment exists.   |
| IAS 36   | Reversals of impairment losses for goodwill | Prohibited.   | Required if the impairment was due to a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event. Prohibited in all other situations. |
| IAS 37   | Cost of major maintenance                   | Shall be capitalised as a component of the asset if recognition criteria are met. Otherwise the cost shall be recognised directly in profit or loss.  | Allowed to systematically recognise a provision over the interval period of the maintenance projects.  |
| IAS 37   | Provision for restructuring                 | Shall only be recognised if a constructive obligation for a restructuring arises. This is the case when: <ul style="list-style-type: none"> <li>• there is a formal plan; and</li> <li>• the entity has raised a valid expectation in those affected that it will carry out the plan by either starting to implement the plan or announcing its main features to those affected by it.</li> </ul> | Allowed to recognise if the restructuring was started or announced after the balance sheet date but before the date of issue, if certain conditions have been met.   |
| IAS 37   | Measurement of provisions                   | Where the effect of the time value of money is material, the amount of a provision shall be the present value. If the effect is not material, the use of the nominal value is allowed.  | May be measured at present value or nominal value.   |
| IAS 37   | Accrued interest                            | Where discounting is used, the carrying amount of a provision increases in each period with the accrued interest, to reflect the passage of time. This increase is recognised as borrowing cost in profit or loss.  | Additions to the provision due to accrued interest shall be presented either as interest expenses or as part of the related expense in profit or loss.   |

| IAS/IFRS | Topic   | IFRSs   | NL GAAP   |
|----------|---|---|---|
| IAS 38   | Useful life   | Required to regard an intangible asset as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.   | Useful life of an intangible asset is always finite.  |
| IAS 38   | Intangibles with indefinite useful life                 | Shall not be amortised. The useful life of such an intangible shall be reviewed each reporting period.  | No distinction between intangibles with a finite and indefinite useful life. Intangibles shall be amortised based on the expected useful life. There is a rebuttable presumption that the useful life of an intangible fixed asset does not exceed twenty years.  |
| IAS 38   | Impairment test   | Intangible assets with an indefinite useful life are subject to an annual impairment test.  | Intangible assets with a useful life exceeding 20 years and intangible assets not yet taken into use are subject to an annual impairment test.  |
| IAS 39   | Categories of financial assets                          | Financial assets must be classified into one of four categories: at FVTPL, loans and receivables, held-to-maturity or available for sale.   | Financial assets must be classified into one of five categories: trading portfolio, derivatives, acquired loans and bonds, loans and other receivables and investment in equity instruments.  |
| IAS 39   | Measurement of financial assets (excluding derivatives) | After initial recognition financial assets are measured at fair value except for the following categories of financial assets, that shall be valued at (amortised) cost: <ul style="list-style-type: none"> <li>• loans and receivables;</li> <li>• held-to-maturity investments; and</li> <li>• any financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured.</li> </ul> | <p>Financial assets that classify as part of the trading portfolio shall be measured at FVTPL.</p> <p>Purchased loans and bonds held until the end of the term are measured at amortised cost.</p> <p>Other purchased loans and bonds are measured at amortised cost or at fair value.</p> <p>For purchased loans and bonds measured at fair value an entity can opt to recognise changes in fair value directly in profit or loss (FVTPL) or, to the extent the aggregate of the revaluation is positive, to recognise it in the shareholders' equity until it is realised.</p> <p>Loans granted and other receivables are measured at amortised cost.</p> |

| IAS/IFRS | Topic  | IFRSs  | NL GAAP  |
|----------|--|--|--|
| IAS 39   | Measurement of financial liabilities (excluding derivatives) | <p>After initial recognition an entity shall measure all financial liabilities at amortised cost using the effective interest method, except for:</p> <ul style="list-style-type: none"> <li>• financial liabilities at FVTPL;</li> <li>• financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;</li> <li>• financial guarantee contracts; and</li> <li>• commitments to provide a loan at a below-market interest rate.</li> </ul> | <p>Investments in listed equity instruments are measured at FVTPL.</p> <p>Investments in non-listed equity instruments are measured at cost or at fair value. For investments in non-listed equity instruments measured at fair value an entity can opt to recognise changes in fair value directly in profit or loss (FVTPL) or, to the extent the aggregate of the revaluation is positive, to recognise it in the shareholders' equity until it is realised.</p> <p>After initial recognition an entity shall measure financial liabilities at amortised cost, except for financial liabilities that classify as part of the trading portfolio.</p> <p>Financial liabilities that classify as part of the trading portfolio shall be measured at FVTPL.</p> |
| IAS 39   | Measurement of derivatives                                   | <p>All derivatives are measured at FVTPL (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).</p>  | <p>Derivatives that classify as part of the trading portfolio shall be measured at FVTPL.</p> <p>Derivatives with a listed underlying value shall be measured at FVTPL.</p> <p>Derivatives with a non-listed underlying value are measured at cost or FVTPL.</p>   |

| IAS/IFRS | Topic                     | IFRSs   | NL GAAP  |
|----------|---------------------------|---|--|
| IAS 39   | Changes in fair value     | <p>A recognised gain or loss arising from a change in the fair value of a financial asset or financial liability that is not part of a hedging relationship shall be reported as follows:</p> <p>(a) a gain or loss on a financial asset or liability held for trading (including derivatives) or designated at FVTPL shall be included in net profit or loss for the period in which it arises;</p> <p>(b) a gain or loss on an available for sale financial asset shall be either included in net profit or loss for the period in which it arises or recognised in other comprehensive income.</p> | <p>A recognised gain or loss arising from a change in the fair value of financial instruments that classify as part of the trading portfolio shall be recognised in profit or loss.</p> <p>For other financial instruments measured at fair value an entity can opt to recognise changes in fair value directly in profit or loss or, to the extent the aggregate of the revaluation is positive, to recognise it in the shareholders' equity until it is realised. Impairments below (amortised) cost shall be accounted for directly in profit or loss.</p>  |
| IAS 39   | Effective interest method | Application of effective interest method is required.   | Linear amortisation is allowed if that does not lead to significant differences with application of effective interest method.   |
| IAS 39   | Types of hedge accounting | <p>IAS 39 identifies three types of hedging relationships:</p> <ul style="list-style-type: none"> <li>• fair value hedge;</li> <li>• cash flow hedge; and</li> <li>• hedge of a net investment in a foreign entity.</li> </ul>  | <p>The types of hedge accounting under IAS 39 are applicable. However, NL GAAP also identifies cost price hedge accounting. In the event of cost price hedge accounting recognition occurs as follows:</p> <ul style="list-style-type: none"> <li>• as long as the hedged item is not yet recognised in the balance sheet, the hedge instrument is not revalued;</li> <li>• if the hedged item is recognised in the balance sheet and comprises a foreign currency monetary item, the derivative insofar it has foreign currency components, is measured using the rate as at balance sheet date;</li> <li>• when the results of the hedged position are recognised in profit or loss, the related result on the hedge instrument is also recognised in profit or loss.</li> </ul> |

| IAS/IFRS | Topic  | IFRSs   | NL GAAP  |
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| IAS 39   | Derecognition of financial assets                                | Derecognition of a financial asset is not permitted to the extent to which the transferor has retained (1) substantially all risks and rewards of the transferred asset or part of the asset, or (2) control of an asset or part of an asset for which it has neither retained nor transferred substantially all risks and rewards. | Unlike IFRSs, the criteria for derecognition focus on a significant change in the economic reality (based on risks and rewards that are actually expected to occur). Control is not a specific factor to be considered. As a consequence the derecognition provisions under NL GAAP are very principles-based and as a consequence provide more room for interpretation than under IFRSs. However, we believe that under NL GAAP it's allowed to use the IAS 39 derecognition provisions as further guidance for complex derecognition issues. |
| IAS 40   | Fair value changes of investment property measured at fair value | Shall be recognised in profit or loss. A revaluation reserve shall not be recognised.   | Shall be recognised in profit or loss. However, a revaluation reserve shall be recognised for the difference between cost and the fair value until the fair value is realised.   |
| IAS 41   | Agriculture  | Specific accounting requirements for the following when they relate to agricultural activity: <ul style="list-style-type: none"> <li>• biological assets, except for bearer plants; and</li> <li>• agricultural produce at the point of harvest.</li> </ul>   | No specific requirements for agricultural activity.  |
| IFRIC 1  | Decommissioning, restoration and other liabilities               | Specific accounting requirements for changes in the measurement.  | If the cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the accounting for changes in the measurement of these liabilities is similar to IFRIC 1 treatment.   |
| IFRIC 2  | Members' shares in co-operative entities and similar instruments | Specific requirements for the classification of these financial instruments as financial liabilities or equity by the issuer.   | In the consolidated financial statements the classification of these financial instruments by issuers is like the classification under IFRSs.<br><br>In the company-only financial statements the classification of financial instruments by the issuer is based on the legal form of a financial instrument instead of the economic substance of the instrument.  |

| IAS/IFRS | Topic  | IFRSs  | NL GAAP   |
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| IFRIC 4  | Determining whether an arrangement contains a lease  | <p>Shall be based on the substance of the arrangement and requires an assessment of whether:</p> <ul style="list-style-type: none"> <li>• fulfillment of the arrangement is dependent on the use of a specific asset or assets (the asset); and</li> <li>• the arrangement conveys a right to use the asset.</li> </ul>  | Guidance under DASs is similar to the requirements under IFRSs.   |
| IFRIC 5  | Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds | Specific requirements for the accounting for an interest in a fund and the accounting for obligations to make additional contributions.  | <p>DASs do not contain specific guidance for the accounting for an interest in a fund. However, based on general requirements the required accounting shall be similar to IFRIC 5.</p> <p>The guidance under DASs relating to the accounting for obligations to make additional contributions is similar to the requirements under IFRSs.</p>   |
| IFRIC 6  | Liabilities arising from participating in a specific market  | Participation in the market during the measurement period is the obligating event in accordance with IAS 37.   | Guidance under DASs is similar to the requirements under IFRSs.   |
| IFRIC 7  | Applying the restatement approach under IAS 29   | In the reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, not having been hyperinflationary in the prior period, the entity shall apply the requirements of IAS 29 as if the economy had always been hyperinflationary.   | The required accounting under IFRSs is allowed, but not required. An entity can choose to present financial statements to reflect the effect of inflation from the beginning of the reporting period in which the entity identifies the existence of hyperinflation in the economy of its functional currency (a starting index of 100% at the beginning of the reporting year in which the entity identifies the existence of hyperinflation). |
| IFRIC 9  | Reassessment of embedded derivatives   | An entity shall assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is either (a) a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract or (b) a reclassification of a financial asset out of the FVTPL category, in which case an assessment is required. | <p>DASs contain no specific guidance relating to the reassessment of embedded derivatives.</p> <p>IFRS treatment is allowed.</p>  |

| IAS/IFRS | Topic                                      | IFRSs  | NL GAAP  |
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| IFRIC 10 | Interim financial reporting and impairment | An entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill.   | DASs do not contain this restriction. Application of the consensus in IFRIC 10 is allowed, but not required.   |
| IFRIC 12 | Service concession arrangements            | For all arrangements falling within the scope of IFRIC 12 (essentially those where the infrastructure assets are not controlled by the operator), the infrastructure assets are not recognised as property, plant and equipment of the operator. Rather, depending on the terms of the arrangement, the operator recognises: <ul style="list-style-type: none"> <li>• a financial asset; or</li> <li>• an intangible asset.</li> </ul>                               | DASs contain no specific guidance.<br><br>IFRS treatment is allowed.   |
| IFRIC 13 | Customer loyalty programs                  | IFRIC 13 requires entities to account for award credits as a separately identifiable component of the sales transaction(s) in which they are granted.  | A granted award is accounted for as a separate component of a transaction if the awards can be exchanged for sales or services which the entity delivers as part of their normal activities and the value of the awards are not insignificant in relation to the revenue in which they are granted.  |
| IFRIC 14 | The limit on a defined benefit asset       | IFRIC 14 provides guidance on how to assess the limit on the amount of the surplus that can be recognised as a defined benefit asset. It also explains how the pensions asset or liability may be affected when there is a statutory or contractual minimum funding requirement.   | DASs contain no specific guidance.   |
| IFRIC 15 | Construction of real estate                | An agreement for the construction of real estate is a construction contract within the scope of IAS 11 only when the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress (whether it exercises that ability or not). If the buyer has that ability, IAS 11 applies. If the buyer does not have that ability, IAS 18 applies. | Pre-completion sales contracts entered into by an entity carrying out a real estate development project are accounted for as construction contracts. Where the outcome of the project can be reliably estimated, revenue and expenses must be recognised by applying the percentage of completion method to that proportion of the project represented by the individual units of property sold. |

| IAS/IFRS | Topic   | IFRSs  | NL GAAP   |
|----------|---|--|---|
| IFRIC 16 | Hedges of a net investment in a foreign operation | <p>The presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.</p> <p>The hedging instrument(s) may be held by any entity or entities within the group as long as the designation, effectiveness and documentation requirements for a hedge of a net investment are satisfied.</p>  | <p>DASs contain no specific guidance.</p> <p>IFRS treatment is allowed.</p> |
| IFRIC 17 | Distributions of non-cash assets to owners        | <p>A dividend payable shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity. An entity shall measure the dividend payable at the fair value of the net assets to be distributed. The dividend payable shall be remeasured at each reporting date with changes recognised directly in equity. The difference between the dividend paid and the carrying amount of net assets distributed shall be recognised in profit or loss.</p>  | <p>DASs contain no specific guidance.</p> <p>IFRS treatment is allowed.</p> |
| IFRIC 18 | Transfers of assets from customers                | <p>IFRIC 18 deals with circumstances where an entity receives from a customer an item of PP&amp;E that the entity then must use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. IFRIC 18 provides guidance on when a recipient shall recognise such assets in their financial statements. Where recognition is appropriate, the deemed cost of the asset is its fair value on the date of the transfer. IFRIC 18 also provides guidance on the pattern of revenue recognition arising on the transfer of the asset.</p> | <p>DASs contain no specific guidance.</p> <p>IFRS treatment is allowed.</p> |

| IAS/IFRS | Topic   | IFRSs   | NL GAAP   |
|----------|---|---|---|
| IFRIC 19 | Extinguishing financial liabilities with equity instruments | <p>An entity shall measure the equity instruments issued as extinguishment of the financial liability at their fair value on the date of extinguishment of the liability, unless that fair value is not reliably measurable. In this case the equity instruments shall be measured to reflect the fair value of the liability extinguished.</p> <p>Any difference between the carrying amount of the liability (or the part of the liability) extinguished and the fair value of equity instruments issued is recognised in profit or loss.</p> | <p>DASs contain no specific guidance.</p> <p>IFRS treatment is allowed.</p>   |
| IFRIC 20 | Stripping costs   | IFRIC 20 provides guidance for waste removal costs that are incurred in surface mining activity during the production phase of the mine (production stripping costs).   | <p>DASs contain no specific guidance.</p> <p>IFRS treatment is allowed.</p>   |
| IFRIC 21 | Levies  | The obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. If the obligating event is the reaching of a minimum threshold, the corresponding liability is recognised when that minimum activity threshold is reached.   | <p>DASs contain guidance relating to the accounting for crisis levy ('crisisheffing'). According to the DASs the reaching of the threshold also creates a present obligation if it's probable that the threshold will be reached.</p> |
| SIC-7    | Introduction of the euro                                    | Requirements regarding the accounting for the changeover from the national currencies of participating Member States of the European Union to the euro.   | <p>DASs contain no specific guidance.</p> <p>IFRS treatment is allowed.</p>   |
| SIC-10   | Government assistance                                       | Government assistance meets the definition of government grants in IAS 20, even if there are no conditions specifically relating to the operating activities of the entity other than to operate in certain regions or industry sectors.  | <p>DASs contain no specific guidance.</p> <p>IFRS treatment is allowed.</p>   |
| SIC-15   | Incentives for operating leases                             | All incentives for the agreement of a new or renewed operating lease shall be recognised as an integral part of the net consideration agreed for the use of the leased asset.   | Guidance under DASs is similar to the requirements under IFRSs.   |

| IAS/IFRS | Topic  | IFRSs   | NL GAAP   |
|----------|--|---|---|
| SIC-25   | Changes in the tax status of an entity                                       | A change in the tax status of an entity does not give rise to increases or decreases in amounts recognised outside profit or loss.  | Guidance under DASs is similar to the requirements under IFRSs. |
| SIC-27   | Evaluating the substance of transactions involving the legal form of a lease | A series of transactions that involve the legal form of a lease is linked and shall be accounted for as one transaction when the overall economic effect cannot be understood without reference to the series of transactions as a whole. | Guidance under DASs is similar to the requirements under IFRSs. |
| SIC-29   | Disclosure of service concession arrangements                                | Specific disclosure requirements for operators and grantors relating to service concession arrangements.  | Guidance under DASs is similar to the requirements under IFRSs. |
| SIC-31   | Barter transactions involving advertising services                           | Guidance to determine when a seller can reliably measure revenue at the fair value of the advertising services received or provided in a barter transaction.  | Guidance under DASs is similar to the requirements under IFRSs. |
| SIC-32   | Website costs  | Guidance to determine whether the website is an internally generated intangible asset and to determine the appropriate accounting treatment of such expenditure.  | Guidance under DASs is similar to the requirements under IFRSs. |

- I IFRS 9 'Financial Instruments' is effective for annual reporting periods beginning on or after 1 January 2018, with earlier application permitted. It supersedes and modifies certain parts of IAS 39 from date of application. The package of improvements introduced by IFRS 9 includes a new model for classification and measurement, an expected loss impairment model and a reformed approach to hedge accounting. IFRS 9 is not yet endorsed for use in Europe.
- II IFRS 14 'Regulatory Deferral Accounts' is effective for a period beginning on or after 1 January 2016, with earlier application permitted. IFRS 14 is not yet endorsed for use in Europe.
- III IFRS 15 'Revenue from Contracts with Customers' is effective for annual reporting periods beginning on or after 1 January 2017, with earlier application permitted. It supersedes IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-13. IFRS 15 is not yet endorsed for use in Europe.
- IIII 'Agriculture: Bearer Plants' (Amendments to IAS 16 and IAS 41), issued in June 2014, defines a bearer plant and includes bearer plants within the scope of IAS 16. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. The produce growing on bearer plants will remain within the scope of IAS 41. These amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

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