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Malaysian FRSs & IFRSs
A comparison

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Preface

Welcome to the fourth edition of Malaysian FRSs & IFRSs - A comparison. This publication is a quick reference guide ("Guide") which provides a summary of the key differences between the Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB"), which are applicable to entities other than private entities, as of 15 November 2009 and the corresponding International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Since the previous edition of this Guide (October 2008), MASB has issued several new / revised FRSs and IC Interpretations which are mostly effective for annual periods beginning on or after 1 January 2010, in line with MASB's plan of full convergence of FRSs with IFRSs by the year 2012. The more significant pronouncements issued by MASB were FRS 7 Financial Instruments: Disclosures, FRS 8 Operating Segments and the revised FRS 101 Presentation of Financial Statements. The staff of MASB has also issued a proposed calendar which provides a tentative adoption timeline of IFRS issued by IASB as of 15 September 2009. The key differences identified in this Guide are mainly due to the IFRSs and IFRIC Interpretations which are either been issued as an Exposure Draft or currently been considered by MASB for adoption in Malaysia. Further details on the new / revised FRSs and IC Interpretations, including the status of adoption of IFRSs in Malaysia can be obtained from MASB's website (www.masb.org.my).

On the international front, the IASB continues to issue several revisions / amendments to the existing IFRSs during 2009. The more significant revisions / amendments to the existing IFRSs were Amendment to IFRS 7 Improving Disclosures about Financial Instruments, Amendment to IFRS 2 Share-based Payment which clarify the accounting for group cash-settled share-based payment transactions and Improvements to International Financial Reporting Standards 2009 ("Improvements Standard"). The Improvements Standard was the second collection of amendments issued under the annual improvements process, which is designed to make necessary but not urgent amendments to IFRSs that will not be included in as part of another major project. Most of these amendments have already been adopted by MASB.

This Guide contains general information only and is not intended to be comprehensive or to provide advice on specific accounting, financial reporting and other related matters. It does not attempt to capture all of the differences between FRSs and IFRSs that may exist or may be material to a particular entity's financial statements. Reference should be made to the underlying accounting standards in order to better understand the specific differences. This Guide is not a substitute for any professional advice or consultation that may be required. Readers are encouraged to read the standards.

Whilst every effort has been made to ensure the accuracy of the information contained in this Guide, neither Deloitte KassimChan and Deloitte Touche Tohmatsu nor their related entities shall have any liability to any person or entity that relies on the information contained herein.

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Malaysian FRSs & IFRSs - A comparison **(As of 15 November 2009)**

As of 15 November 2009, the Malaysian Accounting Standards Board ("MASB") has issued Financial Reporting Standards ("FRSs") and IC Interpretations as set out in this publication. These FRSs and IC Interpretations are compared with their corresponding International Financial Reporting Standards ("IFRSs") and IFRIC Interpretations as appropriate and are grouped into:

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FRSs with differences from IFRSs

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Summary of key differences

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 1 (amended 2009)	IFRS 1 (amended 2009)	Restructuring of the contents of IFRS 1	Not yet adopted by MASB. Issued as MASB ED 66 in 2009	Structure of IFRS 1 changed as part of Annual Improvements Project for clarity and to facilitate future changes to IFRS 1
		Simplification of the retrospective application of IFRSs in two particular first-time adoption situations: • Full-cost oil and gas assets; and • Determining whether an arrangement contains a lease	Currently being considered by MASB for adoption in Malaysia	Full-cost oil and gas assets • The amendments exempt entities using the full cost method from retrospective application of IFRSs for oil and gas assets. Entities electing this exemption will use the carrying amount under its old GAAP as the deemed cost of its oil and gas assets at the date of first-time adoption of IFRSs Determining whether an arrangement contains a lease • If a first-time adopter with a leasing contract made the same type of determination of whether an arrangement contained a lease in accordance with previous GAAP as that required by IFRIC 4 Determining whether an Arrangement Contains a Lease, but at a date other than that required by IFRIC 4, the amendments exempt the entity from having to apply IFRIC 4 when it adopts IFRSs
FRS 2 (amended 2009)	IFRS 2 (amended 2009)	Application date for provision relating to equity-settled share-based payment transactions	FRS 2 shall apply to grants of shares, share options or other equity instruments that were granted after 31 December 2004 and had not yet vested at the effective date of FRS 2 (i.e. 1 January 2006)	IFRS 2 shall apply to grants of shares, share options or other equity instruments that were granted after 7 November 2002 and had not yet vested at the effective date of IFRS 2 (i.e. 1 January 2005)

Summary of key differences

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 2 (amended 2009) (cont'd)	IFRS 2 (amended 2009)	Scope of IFRS 2 and IFRS 3[i] (revised 2008)	Improvements to IFRSs 2009 issued in 2009 not yet adopted by MASB	Amendment to confirm that, in addition to business combinations as defined by IFRS 3 (revised 2008), contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2
		Scope of IFRS 2 among group entities[ii]	Amendment to IFRS 2: Group Cash-settled Share-based Payment Transactions in 2009 not yet adopted by MASB	IFRS 2 applies when an entity enters into a share-based payment transaction regardless of whether the transaction is to be settled by the entity itself, or by another group member on behalf of the entity
		Incorporation of guidance in IFRIC 8 and IFRIC 11 into IFRS 2[ii]	Amendment to IFRS 2: Group Cash-settled Share-based Payment Transactions in 2009 not yet adopted by MASB. However, IFRIC 8 and IFRIC 11 have been adopted by MASB as IC Int. 8 and IC Int. 11 respectively	Amendment to IFRS 2 incorporated guidance previously contained in IFRIC 8 and IFRIC 11
		Classification of share-based payment transactions among group entities[ii]	Amendment to IFRS 2: Group Cash-settled Share-based Payment Transactions in 2009 not yet adopted by MASB	The entity receiving the goods or services will recognise the transaction as equity-settled share-based payment transaction only if: • the awards granted are its own equity instruments; or • it has no obligation to settle the transaction

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 2 (amended 2009)	IFRS 2 (amended 2009)	Classification of share-based payment transactions among group entities[ii] (cont'd)		In all other circumstances, the entity will measure the transaction as a cash-settled share-based payment transaction. Subsequent remeasurement of such equity-settled transactions will only be performed for changes in non-vesting conditions. The entity settling the share-based payment transaction will recognise it as an equity-settled transaction only if the transaction is settled in the entity's own equity instruments. In all other circumstances, the entity settling the transaction will measure the transaction as a cash-settled share-based payment transaction
FRS 3[iii] (issued 2005)	IFRS 3 (revised 2008)	Effective date and transition	FRS 3 shall apply to the accounting for: • business combinations for which the agreement date is on or after 1 January 2006 • goodwill arising from a business combination for which the agreement date is on or after 1January 2006 • any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination for which the agreement date is on or after 1January 2006	IFRS 3 (issued 2004) shall apply to the accounting for: • business combinations for which the agreement date is on or after 31 March 2004 • goodwill arising from a business combination for which the agreement date is on or after 31 March 2004 • any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination for which the agreement date is on or after 31 March 2004
		Scope - mutual entities and business combinations achieved by contract alone[iv]	Not within the scope of the Standard	Falls within the scope of the Standard

FRS	IFRS*	Topic	Key differences FRS	IFRS
		Definition and terminology[iv]		
FRS 3[iii] (issued 2005) (cont'd)	IFRS 3 (revised 2008)	Business combination	Definition places less emphasis on control over another business	"…is a transaction or other event in which an acquirer obtains control of one or more businesses"
		Business	A set of integrated activities and assets that has not commenced planned principal operation is not a business	"…is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return…"
		Acquisition method ("purchase method" is the term used in FRS 3)	The "purchase method" does not explicitly make reference to items (a) and (b)	"Acquisition method" replaces the term "purchase method" and requires: a. Recognition and measurement of non-controlling interest ("NCI", referred to as "minority interest" in FRS 3) in the entity acquired; and b. Recognition and measurement of goodwill or bargain purchase
		Contingent consideration	Initially recognised in the cost of the combination only if it meets probability and reliably measurable criteria	Initially recognised as part of the consideration transferred
			If future event does not occur, then any adjustments to the cost of the business combination are made against goodwill	Non-occurrence of a future event (e.g. not meeting earnings target) is not considered to be a measurement period adjustment - therefore not adjusted against goodwill
			Subsequent adjustments to contingent consideration are made against goodwill, except in the case of equity instruments, in which case the adjustment is made against equity	Subsequent accounting depends on whether it is initially booked as equity or as a liability and whether the event is considered a measurement period adjustment
			No disclosure requirements regarding contingent consideration	Disclosures required on contingent consideration

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 3[iii] (issued 2005) (cont'd)	IFRS 3 (revised 2008)	Consideration transferred - share-based payment awards	No specific guidance	Provides guidance to assist in determining the portion of a replacement award that is part of the consideration transferred for the entity acquired
		Acquisition costs	Costs to effect a business combination are included in the cost of business combination and therefore impact goodwill	Costs to effect a business combination are, generally, expensed as incurred
		Recognising and measuring assets acquired and liabilities assumed on initial recognition[iv]		
		Valuation allowances / provisions	No specific guidance	Prohibits separate valuation allowance at acquisition date for assets measured at fair value but whose future cash flows are uncertain (e.g. doubtful receivables)
		Assets the acquirer intends to dispose of or use in a different way from other market participants	No specific guidance	Requires the acquirer to measure the asset at fair value
		Exceptions to recognition or measurement principles, or both, on initial recognition[iv]		
		Assets held for sale	Requires such assets to be measured at fair value less costs to sell	Requires measurement in accordance with IFRS 5
		Contingent liabilities	Requires recognition of possible obligations if their fair value can be measured reliably	Requires recognition of "liabilities" that meet the definition of a liability in the Framework, and only where there is a present obligation that arises from past events and its fair value can be measured reliably
		Employee benefits	Limited guidance in current FRS 3 Appendix B	Requires recognition and measurement in accordance with IAS 19
		Income taxes	Limited guidance in current FRS 3 Appendix B	Requires recognition and measurement in accordance with IAS 12
		Indemnification assets	No specific guidance	Requires recognition and measurement in accordance with other IFRSs, as applicable
		Reacquired rights	No specific guidance	Requires measurement based on the remaining term of the related contract

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 3[iii] (issued 2005) (cont'd)	IFRS 3 (revised 2008)	Share-based payment awards	No specific guidance	Requires measurement in accordance with IFRS 2
		Measuring goodwill / bargain purchase transactions	Does not require: • Measurement of any amount of NCI in calculating goodwill/ bargain purchase; • Remeasurement to fair value of any previously held equity interest in the entity acquired; and • The acquisition date amount of net assets acquired. Instead it considers the portion of the net identifiable assets attributable to the acquirer	Difference between: a. The consideration transferred at acquisition date, plus the amount of any NCI, plus acquisition date fair value of any previously-held equity interest in entity acquired; and b. The net of acquisition date amounts of identifiable assets acquired and liabilities assumed If: • (a) > (b) = difference is goodwill; • (a) < (b) = bargain purchase is recognised in profit and loss
		NCI in the acquiree (referred to as "minority interest" in FRS 3)	Minority interest is stated at the minority's portion of the fair value of the net assets acquired and (contingent) liabilities assumed	NCI is required to be measured when determining the goodwill / bargain purchase. NCI can be measured either using: • fair value of NCI; or • proportionate interest of the fair value of net identifiable assets of the entity acquired
		Business combinations achieved in stages (step acquisition)	Each transaction is treated separately by the acquirer. The cost and fair value information at the date of each acquisition is used to determine the related goodwill	At the date of obtaining control, the acquirer remeasures any previously-held equity interest to fair value Any previous revaluations to equity are treated as if the acquirer had disposed of its previously-held interest
FRS 4[ii] (issued 2008)	IFRS 4 (amended 2005)	Effective date and transition	An entity need not disclose known or reasonably estimable information relevant to assessing the possible impact of FRS 4 will have on the entity' s financial statements in the period of initial application as required by FRS 108.30(b)	No similar exemption

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 5 (amended 2009)	IFRS 5 (amended 2008)	Effective date and transition	FRS 5 shall be applied prospectively to non-current assets (or disposal groups) that meet the criteria to be classified as held for sale and operations that meet the criteria to be classified as discontinued after the effective date of FRS 5 (i.e. 1 January 2006)	IFRS 5 shall be applied prospectively to non-current assets (or disposal groups) that meet the criteria to be classified as held for sale and operations that meet the criteria to be classified as discontinued after the effective date of IFRS 5 (i.e. 1 January 2005)
		Scope	Consequential amendment to IFRS 5 by IFRIC 17 not yet adopted by MASB	Amendment to the scope of IFRS 5 in 2008 to reflect that IFRS 5 also applies to a non-current asset (or disposal group) that is classified as held for distribution to owners acting in their capacity as owners (i.e. held for distribution to owners)
		Plan to sell controlling interest in a subsidiary[v]	Amendment to IFRS 5 in 2008 not yet adopted by MASB	Assets and liabilities of a subsidiary shall be classified as held for sale if the parent is committed to a plan involving loss of control of the subsidiary, regardless of whether the entity will retain non-controlling interest after the sale
		Disclosure on loss of control[i]	Consequential amendment to IFRS 5 by IAS 27 (revised 2008) not yet adopted by MASB	Amendment in 2008 which requires disclosure of the amount of income from continuing operations and from discontinued operations attributable to owners of the parent. These disclosures may be presented either in the notes or in the statement of comprehensive income
FRS 7[ii] (amended 2009)	IFRS 7 (amended 2009)	Effective date and transition	An entity need not disclose known or reasonably estimable information relevant to assessing the possible impact of FRS 7 will have on the entity' s financial statements in the period of initial application as required by FRS 108.30(b)	No similar provision

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 7[ii] (amended 2009) (cont'd)	IFRS 7 (amended 2009)		When FRS 7 is first applied, an entity is encouraged but not required to present any of the comparatives disclosures required by FRS 7	No similar provision
		Classification of fair value measurements using a fair value hierarchy[vi]	Amendment to IFRS 7 in 2009: Improving disclosures about financial instruments not yet adopted by MASB	An entity shall classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy shall have the following levels: • quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); • inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and • inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)
		Additional disclosures for financial instruments measured at fair value in the statement of financial position[vi]	Amendment to IFRS 7 in 2009: Improving disclosures about financial instruments not yet adopted by MASB	An entity shall disclose for each class of financial instruments: • the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety, segregating fair value measurements in accordance with the levels defined in paragraph 27A

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 7[ii] (amended 2009) (cont'd)	IFRS 7 (amended 2009)	Additional disclosures for financial instruments measured at fair value in the statement of financial position[vi] (cont'd)		• Any significant transfers between Level 1 and Level 2 of the fair value hierarchy and the reasons for those transfers. Transfers into each level shall be disclosed and discussed separately from transfers out of each level. For this purpose, significance shall be judged with respect to profit or loss, and total assets or total liabilities • For fair value measurements in Level 3 of the fair value hierarchy, a reconciliation from the beginning balances to the ending balances, disclosing separately changes during the period attributable to the following: i. total gains or losses for the period recognised in profit or loss, and a description of where they are presented in the statement of comprehensive income or the separate income statement (if presented); ii. total gains or losses recognised in other comprehensive income; iii. purchases, sales, issues and settlements (each type of movement disclosed separately); and

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 7[ii] (amended 2009) (cont'd)	IFRS 7 (amended 2009)	Additional disclosures for financial instruments measured at fair value in the statement of financial position[vi] (cont'd)		iv. Transfers into or out of Level 3 (eg transfers attributable to changes in the observability of market data) and the reasons for those transfers. For significant transfers, transfers into Level 3 shall be disclosed and discussed separately from transfers out of Level 3 • the amount of total gains or losses for the period in (i) above included in profit or loss that are attributable to gains or losses relating to those assets and liabilities held at the end of the reporting period and a description of where those gains or losses are presented in the statement of comprehensive income or the separate income statement (if presented) • for fair value measurements in Level 3, if changing one or more of the inputs to reasonably possible alternative assumptions would change fair value significantly, the entity shall state that fact and disclose the effect of those changes. The entity shall disclose how the effect of a change to a reasonably possible alternative assumption was calculated. For this purpose, significance shall be judged with respect to profit or loss, and total assets or total liabilities, or, when changes in fair value are recognised in other comprehensive income, total equity

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 7[ii] (amended 2009) (cont'd)	IFRS 7 (amended 2009)	Additional disclosures for financial instruments measured at fair value in the statement of financial position[vi] (cont'd)		An entity shall present the quantitative disclosures above in tabular format unless another format is more appropriate
		Liquidity risk disclosures for derivative and non-derivative financial liabilities[vi]	Amendment to IFRS 7 in 2009: Improving disclosures about financial instruments not yet adopted by MASB	An entity shall disclose: • a maturity analysis for non-derivative financial liabilities (including issued financial guarantee contracts) that shows the remaining contractual maturities • a maturity analysis for derivative financial liabilities. The maturity analysis shall include the remaining contractual maturities for those derivative financial liabilities for which contractual maturities are essential for an understanding of the timing of the cash flows
FRS 102 (revised 2005)	IAS 2 (revised 2003)	Biological assets related to agricultural activity and agricultural produce at the point of harvest	Within the scope of this Standard. The scope exclusion in IAS 2 was not included in this Standard as IAS 41 is currently being reviewed by MASB for adoption in Malaysia	Excluded from the scope of this Standard as these are addressed in IAS 41 Agriculture
		Agricultural and forest products, agricultural produce after harvest, and minerals and mineral products	Excluded from the scope of this Standard	Does not apply only to the measurement requirements of inventories held by producers of agricultural and forest products, agricultural produce after harvest, and minerals and mineral products, to the extent that these inventories are measured at net realisable value in accordance with well-established practices in those industries. When such inventories are measured at net realisable value, changes in that value are recognised in profit or loss in the period of the change

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 107 (amended 2009)	IAS 7 (amended 2009)	Changes in ownership interests in subsidiaries and other businesses[i]	Consequential amendment to IAS 7 by IAS 27 (revised 2008) not yet adopted by MASB	Cash flows arising from changes in ownership interests in a subsidiary that do not result in a loss of control which are accounted for as equity transactions shall be classified as cash flows from financing activities
FRS 116 (amended 2009)	IAS 16 (amended 2008)	Assets carried at revaluation under the transitional provision	Certain disclosures are required if the entity availed itself of the transitional provisions in MASB Approved Accounting Standard IAS 16. By virtue of this transitional provision, an entity that has recorded its property, plant and equipment at revalued amount but had not adopted a policy of revaluation is allowed to continue carrying those assets on the basis of their previous revaluation less depreciation and impairment, if any	No equivalent transitional provision
			By virtue of the transitional provision in FRS 116_{2004}, entities which have carried their property, plant and equipment at valuation and are unable to disclose the carrying amount that would have been recognised had these assets been carried under the cost model due to the absence of historical records, shall disclose this fact	No equivalent transitional provision
FRS 117 (amended 2009)	IAS 17 (amended 2009)	Lease of land previously classified as finance lease	To reclassify the unamortised carrying amount of the land as prepaid lease payments. In addition, if such leases of land were previously revalued, the unamortised revalued amount shall be treated as the surrogate carrying amount of the prepaid lease payments which shall be amortised over the lease term in accordance with the requirements of this Standard	No similar provision

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 117 (amended 2009) (cont'd)	IAS 17 (amended 2009)	Effective date and transition	An entity need not disclose known or reasonably estimable information relevant to assessing the possible impact that application of the Standard will have on the entity's financial statements in the period of initial application as required by FRS108.30(b)	No similar exemption
FRS 118 (amended 2009)	IAS 18 (amended 2009)	Sale of development units in property development activities	Although not dealt with in this Standard, reference is made to FRS 201_{2004} Property Development Activities	No similar provision
FRS 121 (revised 2007)	IAS 21 (amended 2005)	Presentation currency	Presentation currency for financial statements in Malaysia to be Ringgit Malaysia	No similar provision
		Effective date and transition	An entity shall apply Para 47 (requiring goodwill on acquisition of a foreign operation and fair value adjustments be expressed in the functional currency of the foreign operation and translated at closing rate) prospectively to all acquisitions occurring after the beginning of the financial period in which FRS 121 is first applied (i.e. on or after 1 January 2006)	An entity shall apply Para 47 (requiring goodwill on acquisition of a foreign operation and fair value adjustments be expressed in the functional currency of the foreign operation and translated at closing rate) prospectively to all acquisitions occurring after the beginning of the financial period in which IAS 21 is first applied (i.e. on or after 1 January 2005)
FRS 124 (amended 2006)	IAS 24 (revised 2009)	Exemption of application	No disclosure of transactions is required in financial statements of state-controlled entities relating to the entity's transactions with other state-controlled entities	Amendment in 2009 provides partial exemption from disclosure requirements in IAS 24 relating to government-related entities
		Effective date and transition	An entity need not disclose known or reasonably estimable information relevant to assessing the possible impact that application of the Standard will have on the entity's financial statements in the period of initial application as required by FRS108.30(b)	No similar exemption

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 124 (amended 2006) (cont'd)	IAS 24 (revised 2009)	Partial exemption for government-related entities and revised definition of related party[vii]	Amendment relating to partial exemption for government-related entities and revised definition of related party in IAS 24 not yet adopted by MASB	Amendment which provides partial exemption from disclosures in IAS 24 relating to government-related entities and which clarifies the definition of related party
FRS 127 (amended 2009)	IAS 27 (amended 2008)	Exemption from presentation of consolidated financial statements	A Parent need not present consolidated financial statements if, among others, the ultimate or any intermediate parent of the Parent is incorporated in Malaysia	No requirement for a specific place of incorporation of the parent to qualify for the same exemption
		Increases or decreases in a parent's ownership interest that do not result in a loss of control[i]	No specific guidance provided	Accounted for as equity transactions of the consolidated entity
		Attribution of acquired entity's losses to non-controlling interest ('NCI') (previously known as minority interest)[i]	Excess losses are allocated to the parent, unless the minority interest has a binding obligation to make good the losses	Losses are allocated to NCI even if they exceed the NCI's share of equity in the subsidiary
		Loss of control of a subsidiary[i]	The carrying amount of the investment at the date the entity ceases to be a subsidiary shall be regarded as the cost on initial measurement of a financial asset in accordance with FRS 139	Any retained non-controlling investment at the date control is lost is remeasured to fair value
FRS 128 (amended 2009)	IAS 28 (amended 2008)	Exemption from application of equity method	An investment in an associate shall be accounted for using the equity method except when, among others, the ultimate or any intermediate parent of the investor is incorporated in Malaysia	No requirement for a specific place of incorporation of the parent of the investor to qualify for the same exemption

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 128 (amended 2009) (cont'd)	IAS 28 (amended 2008)	Loss of significant influence in investments in associates[i]	The carrying amount of the investment at the date the entity ceases to be a subsidiary shall be regarded as the cost on initial measurement of a financial asset in accordance with FRS 139	• Any retained non-controlling investment at the date significant influence is lost is remeasured to fair value • The investment in associate is derecognised and the difference between the sum of the proceeds received and any retained interest, and the carrying amount of the investment in associate at the date significant influence is lost is recognised in profit or loss
FRS 131 (amended 2009)	IAS 31 (amended 2008)	Exemption from application of proportionate consolidation or equity method	A venturer with an interest in a jointly controlled entity is exempted from proportionate consolidation or equity method when, among others, the ultimate or any intermediate parent of the venturer is incorporated in Malaysia	No requirement for a specific place of incorporation of the parent of the venturer to qualify for the same exemption
		Loss of joint control in an interests in jointly controlled entity[i]	Amendment to IAS 31 in 2008 not yet adopted by MASB	• Any retained non-controlling investment at the date joint control is lost is remeasured to fair value • The interests in jointly controlled entity is derecognised and the difference between the sum of the proceeds received and any retained interest, and the carrying amount of the interests in the jointly controlled entity at the date joint control is lost is recognised in profit or loss
FRS 132 (amended 2009)	IAS 32 (amended 2009)	Transitional provision on compound instruments	Requires an entity that has availed itself of the transitional provision of FRS 132_{2004} to disclose that fact. The transitional provision prescribes the splitting of compound instruments into its liability and equity elements only to financial instruments that were issued on or after 1 January 2003	No equivalent transitional provision

FRS	IFRS*	Topic	Key differences FRS	IFRS
FRS 132 (amended 2009) (cont'd)	IAS 32 (amended 2009)	Classification of rights issue[viii]	Amendment to IAS 32 relating to classification of rights issue in 2009 has not been adopted by MASB	Rights issue issued pro rata to an entity's all existing shareholders in the same class for a fixed amount of currency should be classified as equity regardless of the currency in which the exercise price is denominated
FRS 138 (amended 2009)	IAS 38 (amended 2009)	Additional consequential amendments arising from IFRS 3 (revised 2008)[ix]	Improvements to IFRSs 2009 not yet adopted by MASB	Amendments to paragraphs 36 and 37 of IAS 38 to clarify the requirements under IFRS 3 (revised 2008) regarding accounting for intangible assets acquired in a business combination
FRS 139[ii] (amended 2009)	IAS 39 (amended 2009)	Scope	Permodalan Nasional Berhad and the unit trust funds managed by it, are permitted, but not required to comply with FRS 139	No similar provision
FRS 140 (amended 2009)	IAS 40 (amended 2008)	Transitional provision	Requires an entity that has availed itself of the transitional provision in MASB Approved Accounting Standard IAS 16 to disclose that fact[x]	No equivalent provision
IC Int. 107 (issued 2005)	SIC-7 (amended 2008)	Reclassification of cumulative exchange differences on partial disposal of net investment in a foreign operation[i]	Consequential amendment from IAS 27 (revised 2008) not yet adopted by MASB	Cumulative exchange differences relating to the translation of financial statements of foreign operations, recognised in other comprehensive income, shall be accumulated in equity and shall be reclassified from equity to profit or loss only on the disposal or partial disposal of the net investment in the foreign operation
IC Int. 129 (issued 2005)	SIC-29 (amended 2006)	Additional disclosures	Consequential amendments from IFRIC 12 not yet adopted by MASB. IFRIC 12 also not yet adopted by MASB	• An operator and a grantor shall disclose in each period, how the service arrangement has been classified • An operator shall disclose the amount of revenue and profits or losses recognised in the period on exchanging construction services for a financial asset or an intangible asset

FRS	IFRS*	Topic	Key differences FRS	IFRS
IC Int. 9[ii] (issued 2008)	IFRIC 9 (amended 2009)	Scope of IFRIC 9 and IFRS 3 (revised 2008)[ix]	Improvements to IFRSs 2009 not yet adopted by MASB	Amendment to confirm that, in addition to business combinations as defined by IFRS 3 (revised 2008), derivatives acquired in the formation of a joint venture and in common control transactions are outside the scope of IFRIC 9

FRSs with no corresponding IFRSs

FRS / IC Interpretation	Title	Overall comparison
FRS 201_{2004} (issued 2003)	Property Development Activities	Under FRS 201_{2004} • Property development revenue and costs shall be allocated to the accounting periods in which the property development activities are performed • Property development revenue shall be recognised in respect of all development units that have been sold • When property development units are sold, the attributable portion of property development costs shall be recognised as an expense in the period in which the related revenue is recognised Under IFRS: • Real estate sales are dealt with in IFRIC 15 Agreements for the 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 or not the buyer exercises that ability). If the buyer does not have that ability, IAS 18 applies (i.e. it is either an agreement for the rendering of services or for the sales of good)
FRS 204_{2004} (adopted 1998)	Accounting for Aquaculture	Under FRS 204_{2004}: • The standard deals with accounting for aquaculture operations where the products from such operations are used mainly for food consumption • The initial expenditures are to be capitalised as fixed assets and appropriately classified. The carrying amount of these initial expenditures shall be accounted for in accordance with FRS 116 • Subsequent improvements shall be charged to income unless they increase the future benefits from the existing assets beyond their previously assessed standard of performance Under IFRS: • IAS 41 applies but to the wider definition of agriculture activity

FRS / IC Interpretation	Title	Overall comparison
IC Int. 201 (issued 2000)	Preliminary and Pre-operating Expenditure	Preliminary and pre-operating expenditure that do not meet the criteria for recognition as assets under a relevant accounting standard shall be recognised as an expense when they are incurred There is no equivalent Interpretation issued by IASB. The principles in IC Int. 201 are basically consistent with the Framework for the Preparation and Presentation of Financial Statements issued by IASC

FRSs considered to be consistent with IFRSs

FRS / IC Interpretation	Title	IFRS / SIC interpretation*
FRS 6 (issued 2006)	Exploration for and Evaluation of Mineral Resources	IFRS 6 (revised 2005)
FRS 8[i] (amended 2009)	Operating Segments	IFRS 8 (amended 2009)
FRS 101[ii] (revised 2009)	Presentation of Financial Statements	IAS 1 (amended 2009)
FRS 108 (amended 2009)	Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8 (amended 2008)
FRS 110 (amended 2009)	Events After the Balance Sheet Date	IAS 10 (amended 2008)
FRS 111 (revised 2007)	Construction Contracts	IAS 11
FRS 112 (revised 2007)	Income Taxes	IAS 12 (amended 2008)
FRS 119 (amended 2009)	Employee Benefits	IAS 19 (amended 2008)
FRS 120 (amended 2009)	Accounting for Government Grants and Disclosure of Government Assistance	IAS 20 (amended 2008)
FRS 126 (revised 2007)	Accounting and Reporting by Retirement Benefit Plans	IAS 26 (amended 2007)
FRS 129 (amended 2009)	Financial Reporting in Hyperinflationary Economies	IAS 29 (amended 2008)
FRS 133 (revised 2005)	Earnings per Share	IAS 33 (amended 2007)
FRS 134 (amended 2009)	Interim Financial Reporting	IAS 34 (amended 2008)
FRS 136 (amended 2009)	Impairment of Assets	IAS 36 (amended 2009)
FRS 137 (revised 2007)	Provisions, Contingent Liabilities and Contingent Assets	IAS 37

FRS / IC Interpretation	Title	IFRS / SIC interpretation*
IC Int. 110 (issued 2005)	Government Assistance - No Specific Relation to Operating Activities	SIC-10 (issued 1998)
IC Int. 112 (issued 2005)	Consolidation - Special Purpose Entities	SIC-12 (issued 1998)
IC Int. 113 (issued 2005)	Jointly Controlled Entities - Non-monetary Contributions by Venturers	SIC-13 (issued 1998)
IC Int. 115 (issued 2005)	Operating Leases - Incentives	SIC-15 (issued 1999)
IC Int. 121 (issued 2005)	Income Taxes - Recovery of Revalued Non-Depreciable Assets	SIC-21 (issued 2000)
IC Int. 125 (amended 2009)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	SIC-25 (amended 2007)
IC Int. 127 (issued 2005)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	SIC-27 (issued 2000)
IC Int. 131 (issued 2005)	Revenue - Barter Transactions Involving Advertising Services	SIC-31 (issued 2001)
IC Int. 132 (issued 2005)	Intangible Assets - Web Site Costs	SIC-32 (issued 2001)
IC Int. 1 (issued 2007)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	IFRIC 1 (issued 2004)
IC Int. 2 (amended 2009)	Members' Shares in Co-operative Entities and Similar Instruments	IFRIC 2 (amended 2008)
IC Int. 5 (issued 2007)	Rights to Interests arising from Decommissioning, Restoration & Environmental Rehabilitation Funds	IFRIC 5 (issued 2004)
IC Int. 6 (issued 2007)	Liabilities arising from Participating in a Specific Market - Waste Electrical & Electronic Equipment	IFRIC 6 (issued 2005)
IC Int. 7 (issued 2007)	Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies	IFRIC 7 (issued 2005)
IC Int. 8 (issued 2007)	Scope of FRS 2	IFRIC 8[@] (issued 2006)
IC Int. 10[ii] (issued 2008)	Interim Financial Reporting and Impairment	IFRIC 10 (issued 2006)
IC Int. 11[ii] (issued 2009)	IFRS 2 - Group Plans and Treasury Share Transactions	IFRIC 11[@] (issued 2006)
IC Int. 13[ii] (issued 2009)	Customer Loyalty Programmes	IFRIC 13 (issued 2007)
IC Int 14[ii] (issued 2009)	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	IFRIC 14 (issued 2007)

IFRS / IFRIC Interpretations - No equivalent comparison

As of 15 November 2009, there were new FRS or IFRIC Interpretations that have no corresponding FRS or IC Interpretations as presented in the table below:

FRS / IFRIC Interpretation	Topic	Effective date[#]	Status in Malaysia
IFRS 9 (issued 2009)	Financial Instruments: Classification and Measurement[+]	1 January 2013	Not yet adopted and no ED issued
IAS 41 (issued 2000)	Agriculture	1 January 2003	Issued as MASB ED 50
Amendment to IAS 41[xi] (issued 2008)	• Discount rate for fair value calculations • Additional biological transformation • Examples of agricultural produce and products • Point-of-sale costs • Consequential amendment arising from Amendment to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance	1 January 2009	Issued as MASB ED 62
IFRIC 4 (issued 2004)	Determining Whether an Arrangement Contains a Lease	1 January 2006	Not yet adopted and no ED issued
IFRIC 12 (issued 2006)	Service Concession Arrangements	1 January 2008	Issued as MASB (draft) Interpretation 12
IFRIC 15 (issued 2008)	Agreements for the Construction of Real Estate	1 January 2009	Issued as MASB (draft) Interpretation 15
IFRIC 16 (issued 2008)	Hedges of a Net Investment in a Foreign Operation	1 October 2008	Issued as MASB (draft) Interpretation 16
Amendment to IFRIC 16 (issued 2009)	Amendment from Improvements to IFRSs 2009 to clarify that hedging instruments may be held by an entity or entities within the group, including a foreign operation that itself is being hedged	1 July 2009	Not yet adopted and no ED issued
IFRIC 17 (issued 2009)	Distributions of Non-cash Assets to Owners	1 July 2009	Issued as MASB [draft] Interpretation 17
IFRIC 18 (issued 2009)	Transfers of Assets from Customers	1 July 2009[^]	Not yet adopted and no ED issued

Note:
Financial Reporting Standards relating to insurance business, FRS 202_{2004} General Insurance Business and FRS 203_{2004} Life Insurance Business are not included in this Guide. In addition, TR *i*-3 Presentation of Financial Statements of Islamic Financial Institutions is also not included in this Guide.

Indicator	Description
*	Includes amendments/revisions to IFRSs and new IFRIC Interpretations issued until 15 November 2009
#	Annual periods beginning on or after
^	Transfers received on or after
@	Will be withdrawn effective 1 January 2010 as guidance included in these Interpretations are incorporated into the Amendment to IFRS2: Group Cash-settled Share-based Payment
+	Issued as the first part of IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement
i	Applicable for annual periods beginning on or after 1 July 2009
ii	Applicable for annual periods beginning on or after 1 January 2010
iii	Consistent with the superseded IFRS 3 except for the effective date and transition
iv	Applied prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009
v	Amendment from Improvements to International Financial Reporting Standards 2008. Applicable for annual periods beginning on or after 1 July 2009
vi	Applicable for annual periods beginning on or after 1 January 2009
vii	Applicable for annual periods beginning on or after 1 January 2011
viii	Applicable for annual periods beginning on or after 1 February 2010
ix	Applicable prospectively for annual periods beginning on or after 1 July 2009
x	Under FRS 125_{2004}, an entity is permitted to account for its investment property in accordance with MASB Approved Accounting Standard IAS 16 or as long term investments in accordance with the provisions of that Standard
xi	Amendments from Improvements to International Financial Reporting Standards 2008

New / revised / amendments to FRSs issued since the third edition of this guide

FRS / IC Interpretation ("IC Int.")	Title
FRS 1	Amendment to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated Financial Statements: Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
FRS 2	Amendment to FRS 2 Share-based Payment – Vesting Conditions and Cancellations
FRS 4	Insurance Contracts
FRS 5	Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
FRS 7	Financial Instruments: Disclosures Amendment to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
FRS 8	Operating Segments - Amendment to FRS 8
FRS 101	Presentation of Financial Statements
FRS 107	Amendment to FRS 107 Cash Flow Statements
FRS 108	Amendment to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Amendment to FRS 110 Events After the Balance Sheet Date
FRS 116	Amendment to FRS 116 Property, Plant and Equipment
FRS 117	Amendment to FRS 117 Leases
FRS 118	Amendment to FRS 118 Revenue
FRS 119	Amendment to FRS 119 Employee Benefits
FRS 120	Amendment to FRS 120 Accounting for Government Grants and Disclosure of Government Assistance
FRS 123	Borrowing Costs - Amendment to FRS 123
FRS 127	Amendment to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
FRS 128	Amendment to FRS 128 Investments in Associates
FRS 129	Amendment to FRS 129 Financial Reporting in Hyperinflationary Economies
FRS 131	Amendment to FRS 131 Interests in Joint Ventures
FRS 132	Amendment to FRS 132 Financial Instruments: Presentation
FRS 134	Amendment to FRS 134 Interim Financial Reporting
FRS 136	Amendment to FRS 136 Impairment of Assets
FRS 138	Amendment to FRS 138 Intangible Assets

New / revised / amendments to FRSs issued since the third edition of this guide (cont'd)

FRS / IC Interpretation ("IC Int.")	Title
FRS 139	Addendum to FRS 139 Financial Instruments: Recognition and Measurement Amendment to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
FRS 140	Amendment to FRS 140 Investment Property
IC Int. 9	Reassessment of Embedded Derivatives Amendment to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 11	FRS 2 - Group and Treasury Share Transactions
IC Int. 13	Customer Loyalty Programmes
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Effective date:
All the above pronouncements are effective for annual periods beginning on or after 1 January 2010 except for FRS 8 Operating Segments which is applicable to annual financial statements for periods beginning on or after 1 July 2009

New / revised / amendments to FRSs issued since the third edition of this guide - Summary of key requirements

FRS / IC Interpretation ("IC Int.")	Topic	Key requirements
Amendment to FRS 1	Measurement in separate financial statements of investments in subsidiaries, jointly controlled entities and associates when adopting FRSs for the first time	Such investments are allowed to be measured using a 'deemed cost approach' which is either: • fair value (determined in accordance with FRS 139) at the entity's date of transition to FRSs in its separate financial statements; or • the previous GAAP carrying amount of the investment at that date
Amendment to FRS 2	Vesting conditions	• The Amendment clarifies that vesting conditions are those conditions that determine whether the entity receives the services that result in the counterparty's entitlement and they include only service conditions and performance conditions • All features of a share-based payment arrangement other than service conditions and performance conditions will be considered to be non-vesting conditions
	Performance conditions	Definition amended to require the completion of a service period in addition to specified performance targets. Performance condition may include a market condition
	Estimating the fair value of equity instruments granted	An entity shall take into account all non-vesting conditions (i.e. all conditions other than service and performance conditions), and vesting conditions that are market conditions
	Failure to meet non-vesting conditions during vesting period	• If the entity or the counterparty can choose whether to meet a non-vesting condition, failure to meet non-vesting conditions during vesting period would be treated as a cancellation. • If neither the entity nor the counterparty can choose whether to meet a non-vesting condition, there would be no accounting effect, similar to market conditions
	Grant of equity instruments cancelled or settled by the entity or the counterparty	An entity recognises immediately the amount of the expense that would otherwise have been recognised over the remainder of the vesting period. If the share-based payment contains a liability component, the liability should be fair valued at the date of cancellation or settlement. Any payment made to settle the liability component should be accounted for as an extinguishment of the liability
FRS 4	Insurance contracts	FRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds, except for specified contracts covered by other FRSs. It does not: • apply to other assets and liabilities of an insurer, such as financial assets and financial liabilities within the scope of FRS 139 Financial Instruments: Recognition and Measurement; and • address accounting by policyholders FRS 4 supersedes FRS 202_{2004} General Insurance Business and FRS 203_{2004} Life Insurance Business when it becomes effective

FRS / IC Interpretation ("IC Int.")	Topic	Key requirements
Amendment to FRS 5	Disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations	Amendment to clarify that FRS 5 specifies the disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. Disclosures in other FRSs do not apply to such assets (or disposal groups) unless: • those FRSs specifically require disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations; or • the disclosures relate to the measurement of assets or liabilities within a disposal group that are outside the scope of FRS 5's measurement requirements and the information is not disclosed elsewhere in the financial statements
FRS 7	Disclosures relating to financial instruments	FRS 7 applies to all risks arising from all financial instruments, except for those instruments listed in paragraph 3 of FRS 7. FRS 7 applies to all entities and the extent of disclosures required depend on the extent of the entity's use of financial instruments and of its exposure to risk. FRS 7 require entities to provide disclosures in their financial statements that enable users to evaluate: • the significance of financial instruments for the entity's financial position and performance; and • the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date, and how the entity manages those risks
Amendment to FRS 7	Presentation of finance costs	Amendment to the Implementation Guidance accompanying FRS 7 to clarify that interest income is not a component of finance costs
	Additional disclosures required when certain financial instruments are reclassified	Amendment which require additional disclosures if an entity has reclassified a financial asset out of the fair value through profit or loss category or out of the available-for-sale category. The additional disclosures are: • the amount reclassified into and out of each category; • for each reporting period until derecognition, the carrying amounts and fair values of all financial assets that have been reclassified in the current and previous reporting periods; • if a financial asset was reclassified in accordance with paragraph 50B, the rare situation, and the facts and circumstances indicating that the situation was rare; • for the reporting period when the financial asset was reclassified, the fair value gain or loss on the financial asset recognised in profit or loss or other comprehensive income in that reporting period and in the previous reporting period; • for each reporting period following the reclassification (including the reporting period in which the financial asset was reclassified) until derecognition of the financial asset, the fair value gain or loss that would have been recognised in profit or loss or other comprehensive income if the financial asset had not been reclassified, and the gain, loss, income and expense recognised in profit or loss; and • the effective interest rate and estimated amounts of cash flows the entity expects to recover, as at the date of reclassification of the financial asset

FRS / IC Interpretation ("IC Int.")	Topic	Key requirements
FRS 8	Operating segments	FRS 8 supersedes FRS 114_{2004} when it became effective
	Identification of segments	Requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance
	Component of an entity that sells primarily or exclusively to other operating segments of the entity	Included in the definition of an operating segment if the entity is managed that way
	Measurement of segment information	Requires the amount reported for each operating segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance
	Segment profit or loss and segment assets	Requires an explanation on how segment profit or loss, segment assets and segment liabilities are measured for each reportable segment
	Disclosure requirements	• Requires an entity to give descriptive information about the way that the operating segments were determined, the products and services provided by the segments, differences between the measurements used in reporting segment information and those used in the entity's financial statements, and changes in the measurement of segment amounts from period to period • Requires an entity to report interest revenue separately from interest expense for each reportable segment unless a majority of the segment's revenues are from interest and the chief operating decision maker relies primarily on net interest revenue to assess the performance of the segment and to make decisions about resources to be allocated to the segment • Requires an entity to report information about the revenue derived from the entity's products or services (or groups of similar products and services), about the countries in which the entity earns revenue and hold assets, and about major customers, regardless of whether that information is used by management in making operating decisions
Amendment to FRS 8	Disclosure of segment assets	Amendment to clarify that an entity is required to disclose a measure of segment assets only if that measure is regularly reported to the chief operating decision maker
FRS 101	Capital disclosures	An entity shall disclose information that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital
	New titles for financial statements	• 'Balance sheet' is referred to as 'statement of financial position' • 'Cash flow statement' is referred to as 'statement of cash flows' • Where an entity elects to present income and expenses using a single statement, that statement is referred to as a 'statement of comprehensive income' • Where an entity elects to present income and expenses using a two-statement approach, 'statement of recognised income and expense' is referred to as 'statement of comprehensive income' • New titles not mandatory for use in financial statements

FRS / IC Interpretation ("IC Int.")	Topic	Key requirements
FRS 101 (cont'd)	Statement of financial position - additional period presented	A statement of financial position as at the beginning of the earliest comparative period is required whenever an entity retrospectively applies an accounting policy, or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements In those limited circumstances, an entity is required to present, as a minimum, three statements of financial position (and related notes), i.e. as at: • the end of the current period; • the end of the previous period (which is the same as the beginning of the current period); and • the beginning of the earliest comparative period
	Statement of comprehensive income	All items of income and expense (including those accounted for directly in equity) be presented either: • in a single statement (a 'statement of comprehensive income'); or • in two statements (a separate 'income statement' and 'statement of comprehensive income') Where a single statement presentation is selected, an entity will effectively combine the current content of the income statement and the statement of recognised income and expense Under the two-statement approach, other comprehensive income will continue to comprise those items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other FRSs
	Statement of changes in equity - non-owner movements in equity	All such movements must be presented in a statement of comprehensive income and the total carried to the statement of changes in equity
	Disclosure of income tax and reclassification adjustments in other comprehensive income	Components of other comprehensive income may be presented either: • net of related tax effects ('net presentation'); or • before related tax effects, with one amount shown for the aggregate amount of income tax relating to those components ('gross presentation')
	Reclassification adjustments (i.e. amounts reclassified to profit or loss in the current period that were recognised in other comprehensive income in previous periods)	Reclassification adjustments relating to components of other comprehensive income is required to be disclosed. Such disclosures may be made either in the statement of comprehensive income or in the notes

FRS / IC Interpretation ("IC Int.")	Topic	Key requirements
FRS 101 (cont'd)	Puttable financial instruments and obligations arising on liquidation	Additional disclosures if an entity has a puttable instrument that is presented as equity: • summary quantitative data about the amount classified as equity; • the entity's objectives, policies and processes for managing its obligation to repurchase or redeem the instruments when required to do so by the instrument holders, including any changes from the previous period; • the expected cash outflow on redemption or repurchase of that class of financial instruments; and • information about how the expected cash outflow on redemption or repurchase was determined If an instrument is reclassified into and out of each category (financial liabilities or equity) the amount, timing and reason for that reclassification must be disclosed. If an entity is a limited-life entity, disclosure is also required regarding the length of its life
	Current / non-current classification of derivatives	Amendment clarifies that financial instruments classified as held for trading in accordance with FRS 139 are not always required to be presented as current assets / liabilities
	Current/non-current classification of convertible instruments	Amendment to clarify that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. The amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by the transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time
Amendment to FRS 107	Cash flows for assets held for rental	Cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale are cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also cash flows from operating activities
	Classification of expenditure on unrecognised assets	Amendment to require that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities
Amendment to FRS 108	Status of implementation guidance	Amendment clarifies that application of the guidance issued with FRSs that is not an integral part of the Standard is not mandatory in selecting and applying accounting policies
Amendment to FRS 110	Dividends declared after the end of the reporting period	Clarification of the explanation as to why a dividend declared after the reporting period does not result in the recognition of a liability
Amendment to FRS 116	Recoverable amount	The term 'net selling price' is replaced with 'fair value less cost to sell' in the definition of recoverable amount, for consistency with the wording used in FRS 5 and FRS 136
	Sale of assets held for rental	Entities that routinely sell items of property, plant and equipment that they have previously held for rental to others should transfer such assets to inventories at their carrying amount when they cease to be rented and are held for sale. The proceeds from the sale of such assets should be recognised as revenue in accordance with FRS 118

FRS / IC Interpretation ("IC Int.")	Topic	Key requirements
Amendment to FRS 116 (cont'd)	Property under construction or development for future use as investment property	Such property fall within the scope of FRS 140. Previously, within the scope of FRS 116
Amendment to FRS 117	Classification of leases of land and buildings	Specific guidance regarding leases of land were deleted to eliminate inconsistency with the general guidance on lease classification. Hence, leases of land should be classified as either finance or operating lease using the general principles of FRS 117
Amendment to FRS 118	Costs of originating a loan	Amendment to remove inconsistency between FRS 139 and the guidance in FRS 118 relating to the definition of costs incurred in originating a financial asset that should be deferred and recognised as an adjustment to the effective interest rate. FRS 118 is amended to refer to transaction costs as defined in FRS 139
	Determining whether an entity is acting as a principal or as an agent	Additional guidance added to the appendix to FRS 118 regarding the determination as to whether an entity is acting as a principal or as an agent
Amendment to FRS 119	Curtailments and negative past service costs	Amendment clarifies that: • when a plan amendment reduces benefits, the effect of the reduction for future service is a curtailment and the effect of any reduction for past service is a negative past service cost; • negative past service cost arises when a change in the benefits attributable to past service results in a reduction in the present value of the defined benefit obligation; and • a curtailment may arise from a reduction in the extent to which future salary increases are linked to the benefits payable for past service In addition, references to materiality have been replaced with 'significant' in paragraph 111 of FRS 119
	Plan administration costs	Definition of 'return on plan assets' amended to require the deduction of plan administration costs only to the extent that such costs have not been reflected in the actuarial assumptions used to measure the defined benefit obligation
	Replacement of term 'fall due'	Definitions of short-term employee benefits' and 'other long-term employee benefits' amended to refer to when the benefits are 'due to be settled', rather than when they 'fall due'
	Guidance on contingent liabilities	Reference to 'recognition' in relation to contingent liabilities removed as it was inconsistent with FRS 137, which states that an entity should not recognise a contingent liability
Amendment to FRS 120	Government loans with a below-market rate of interest	Amendment to require that the benefit of such loans be accounted for as a government grant - measured as the difference between the initial carrying amount of the loan determined in accordance with FRS 139 and the proceeds received
	Consistency of terminology with other FRSs	Amendments to conform terminology used in the Standard to the equivalent defined or more widely-used terms

FRS / IC Interpretation ("IC Int.")	Topic	Key requirements
FRS 123	Recognition of borrowing costs	To the extent that borrowing costs relate to the acquisition, construction or production of a qualifying asset, they shall be capitalised as part of the cost of that asset. All other borrowing costs should be expensed as incurred. The benchmark treatment under the FRS 123_{2004} (i.e. recognising all borrowing costs immediately as an expense) has been eliminated
Amendment to FRS 123	Components of borrowing costs	Description of specific components replaced with a reference to FRS 139 (i.e. interest calculated using the effective interest rate method)
Amendment to FRS 127	Measurement in separate financial statements of investments in subsidiaries, jointly controlled entities and associates when adopting FRSs for the first time	Such investments are allowed to be measured using a 'deemed cost approach' which is either: • fair value (determined in accordance with FRS 139) at the entity's date of transition to FRSs in its separate financial statements; or • the previous GAAP carrying amount of the investment at that date
	Recognition of dividend received from investments in subsidiaries, jointly controlled entities and associates	Dividends received from such investments are recognised in profit or loss when the right to receive the dividend is established. There is no longer a requirement to distinguish between dividends distributed from pre-acquisition or post-acquisition profits
	Reorganisations by establishing a new parent	The new parent shall measure the cost of its investment in the previous parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of the reorganisation upon meeting the specified criteria in FRS 127
	Measurement in separate financial statements of investments in subsidiaries, jointly controlled entities and associates held for sale	Investments in subsidiaries, jointly controlled entities and associates accounted for in accordance with FRS 139 in the parent's separate financial statements shall continue to be measured in accordance with FRS 139 when classified as held for sale or included in a disposal group classified as held for sale
Amendment to FRS 128	Disclosures required when investments in associates are accounted for at fair value through profit or loss	An entity holding such investments shall make the disclosures required by paragraph 37(f) in FRS 128
	Impairment of investments in associates	Investment in associate is treated as a single asset for impairment testing. Hence, an impairment loss recorded by an investor after applying the equity method is not allocated to any asset, including goodwill which forms part of the equity-accounted investment balance

FRS / IC Interpretation ("IC Int.")	Topic	Key requirements
Amendment to FRS 129	Description of historical cost financial statements	Amendment to reflect the fact that in historical cost financial statements, some assets and liabilities may be measured at current values
	Consistency of terminology with other FRSs	Amendments to conform terminology used in the Standard to the equivalent defined or more widely-used terms
Amendment to FRS 131	Disclosures required when interests in jointly controlled entities are accounted for at fair value through profit or loss	A venturer holding such an interest shall make the disclosures required by paragraphs 55 and 56 of FRS 131
Amendment to FRS 132	Puttable financial instruments and obligations arising on liquidation	Puttable financial instruments, or instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation will be classified as equity upon meeting specified criteria in FRS 132. Prior to this amendment, such instruments would be classified as financial liabilities
	Disclosures required when investments in associates / interests in jointly controlled entities are accounted for at fair value through profit or loss	Amendment clarifies that the disclosure requirements in FRS 132 applies to such investments
Amendment to FRS 134	Earnings per share ('EPS') disclosures in interim financial reports	Amendment clarifies that the presentation of basic and diluted EPS in interim financial reports is required only when the entity is within the scope of FRS 133
Amendment to FRS 136	New impairment indicator - Dividends received from investments in subsidiaries, jointly controlled entities and associates	When an entity recognises dividend from such investments, the entity shall consider whether evidence is available that: • the carrying amount of such investments in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets; or • the dividend exceeds the total comprehensive income of the subsidiaries, jointly controlled entities or associates in the period in which the dividend is declared (i.e. any indication that the investment is impaired upon distribution of dividends to its investor)
	Disclosure of estimates used to determine recoverable amount of cash-generating units containing goodwill or intangible assets with indefinite useful lives	Amendment to the Standard extends the disclosures required when discounted cash flows are used to estimate fair value less costs to sell, to include: • the period over which management has projected cash flows; • the growth rates used to extrapolate cash flow projections; and • the discount rate(s) applied to the cash flow projections
	Unit of accounting for goodwill impairment test	Amendment clarifies that the largest cash-generating unit to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined in FRS 8

FRS / IC Interpretation ("IC Int.")	Topic	Key requirements
Amendment to FRS 138	Advertising and promotional activities	Clarification on the circumstances when advertising or promotional expenditure can be recognised as an asset. Recognition would be permitted up to the point: • at which the entity has the right to access the goods purchased; or • up to the point of receipt of services Mail order catalogues specifically identified as a form of advertising and promotional activities
	Unit of production method of amortisation	Removal of wording in the Standard perceived as prohibiting the use of the unit of production method if it results in a lower amount of accumulated amortisation than under the straight line method. Hence, the unit of production method may be used when the resulting amortisation charge reflects the expected pattern of consumption of the expected future economic benefits embodied in an intangible asset
	Measuring the fair value of an intangible asset acquired in a business combination	Amendment to clarify the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets
FRS 139	Recognition and measurement of financial instruments	FRS 138 establishes the principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items
Amendment to FRS 139	Reclassifying instruments into and out of the classification of fair value through profit or loss ('FVTPL')	FRS 139 prohibits the classification of financial instruments into or out of the FVTPL category after initial recognition. Amendment specify the changes in circumstances that are not considered to be reclassifications for this purpose
	Designating and documenting hedges at the segment level	References to the designation of hedging instruments at the segment level removed to eliminate the perceived inconsistency between FRS 139 and FRS 8
	Applicable effective interest rate on cessation of fair value hedge accounting	Clarification that the revised effective rate calculated on cessation of fair value hedge accounting in accordance with paragraph 92 of FRS 139 should be used for the re-measurement of the hedged item when paragraph AG8 of FRS 139 is applicable
	Eligible hedged items	Amendment clarifies two issues relating to hedge accounting: • identifying inflation as a hedged risk or portion; and • hedging with options
	Reclassification of financial assets	• Permits reclassification of non-derivative financial assets (other than those designated at fair value through profit or loss ('FVTPL') upon initial recognition) out of the FVTPL in specified circumstances • Also permits transfer from the available-for-sale category to the loans and receivables category, a financial asset that would have met the definition of loans and receivables, if the entity has the intention and ability to hold that financial asset for the foreseeable future or until maturity
	Embedded derivatives	Amendment to prohibit reclassification out of FVTPL if an entity is unable to separately measure the embedded derivative on reclassification. In such circumstances, the entire hybrid (combined) contract remains classified as at FVTPL

FRS / IC Interpretation ("IC Int.")	Topic	Key requirements
Amendment to FRS 139 (cont'd)	Treating loan prepayment penalties as closely related derivatives	Amendment to clarify that prepayment options, the exercise price of which compensates the lender for loss of interest by reducing the economic loss from reinvestment risk, should be considered closely related to the host debt contract
	Scope exemption for business combination contracts	Amendment to clarify that the scope exemption in paragraph 2(g) of FRS 139: • only applies to binding (forward) contracts between an acquirer and a vendor in a business combination to buy an acquiree at a future date; • the term of the forward contract should not exceed a reasonable period normally necessary to obtain any required approvals and to complete the transaction; and • the exemption should not apply to option contracts (whether or not currently exercisable) that on exercise will result in control of an entity, nor by analogy to investments in associates and similar transactions
	Cash flow hedge accounting	Amendment to clarify when to recognise gains or losses on hedging instruments as a reclassification adjustment in a cash flow hedge of a forecast transaction that results subsequently in the recognition of a financial instrument These gains or losses should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss
	Hedging using internal contracts	Amendment to clarify that entities should no longer use hedge accounting for transactions between segments in their separate financial statements
Amendment to FRS 140	Property under construction or development for future use as investment property	Such property fall within the scope of FRS 140. Previously, within the scope of FRS 116
	Consistency of terminology with FRS 108	Text in FRS 140 relating to voluntary change in accounting policy amended to be consistent with the requirements of FRS 108
	Investment property held under lease	Clarifiies how an investment property held under lease should be measured where fair value model is applied
IC Int. 9	Reassessment of embedded derivatives	• An entity must 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 a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required • A first-time adopter must assess whether an embedded derivative is required to be separated on the basis of the conditions that existed at the date it first became a party to the contract, unless there was a subsequent change in terms of the contract that significantly modified the cash flows
Amendment to IC Int. 9	Reassessment of embedded derivatives	Amendment to clarify that on reclassification of a financial asset out of the 'fair value through profit or loss' category, all embedded derivatives have to be assessed and, if necessary, separately accounted for in the financial statements

FRS / IC Interpretation ("IC Int.")	Topic	Key requirements
IC Int. 10	Interim Financial Reporting and Impairment	• The Interpretation addresses the interaction between the requirements of FRS 134 Interim Financial Reporting and the recognition of impairment losses on goodwill under FRS 136 Impairment of Assets and certain financial assets under FRS 139 Financial Instruments: Recognition and Measurement. • The Interpretation concludes that where an entity has recognised an impairment loss in an interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost, that impairment should not be reversed in subsequent interim financial statements nor in annual financial statements. • An entity shall not extend this consensus by analogy to other areas of potential conflict between FRS 134 and other standards
IC Int. 11	Group and Treasury Share Transactions	• Share-based payment involving an entity's own equity instruments in which the entity chooses or is required to buy its own equity instruments (treasury shares) to settle the share-based payment obligation should always be accounted for as equity-settled share-based payment transactions under FRS 2 • When a parent grants rights to its equity instruments to employees of its subsidiary and assuming that the transaction is accounted for as equity-settled in the consolidated financial statements, the subsidiary must measure the services received using the requirements for equity-settled transactions in FRS 2, and must recognise a corresponding increase in equity as a contribution from the parent • A subsidiary which grants rights to equity instruments of its parent to its employees should account for the transaction as a cash-settled share-based payment transaction
IC Int. 13	Customer loyalty programmes	• IC Int. 13 addresses accounting by entities that grant loyalty award credits (such as 'points' or travel miles) to customers who buy other goods or services • An entity that grants loyalty award credits shall allocate some of the proceeds of the initial sale to the award credits as a liability (its obligation to provide the awards). In effect, the award is accounted for as a separate component of the sale transaction • The amount of proceeds allocated to the award credits is measured by reference to their fair value, that is, the amount for which the award credits could have been sold separately • The entity shall recognise the deferred portion of the proceeds as revenue only when it has fulfilled its obligations. The entity may fulfill its obligations either by supplying the awards itself or by engaging (and paying) a third party to do so • If at any time, the expected costs of meeting the obligation exceed the consideration received, the entity has an onerous contract for which FRS 137 would require recognition of a liability

FRS / IC Interpretation ("IC Int.")	Topic	Key requirements
IC Int. 14	Economic benefits available as a refund	A refund is available to an entity only where the entity has an unconditional right to a refund: • during the life of the plan, without assuming that the plan liabilities must be settled in order to obtain the refund (e.g. in some jurisdictions, the entity may have a right to a refund during the life of the plan, irrespective of whether the plan liabilities are settled); or • assuming the gradual settlement of the plan liabilities over time until all members have left the plan; or • assuming the full settlement of the plan liabilities in a single event (i.e. as a plan wind-up) The entity should measure the economic benefit available as the amount of the surplus at the balance sheet date (i.e. the fair value of the plan assets less the present value of the defined benefit obligation) that it has a right to receive as a refund, less any associated costs (e.g. taxes)
	Economic benefits available as a reduction in contributions	In the absence of a minimum funding requirement, the Interpretation requires entities to determine economic benefits available as a reduction in future contributions as the lower of: • the surplus in the plan; and • the present value of the future service cost to the entity (i.e. excluding costs borne by employees) over the shorter of the expected life of the plan and the expected life of the entity