

# AccountancyAge

## IASB issues narrow-scope amendments to IAS 36

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### INTERNATIONAL ACCOUNTING STANDARD SETTER

the IASB has published narrow-scope amendments to IAS 36 to address the disclosure of information about the recoverable amount of impaired assets.

When developing IFRS 13 in 2011, the IASB decided to amend IAS 36 to require disclosures about the recoverable amount of impaired assets, particularly if that amount is based on fair value less costs of disposal.

However, some of the amendments resulted in the requirement being more broadly applied than the IASB had intended.

"In particular, instead of requiring an entity to disclose the recoverable amount of an asset (including goodwill) or a cash-generating unit for which a material impairment loss was recognised or reversed during the reporting period, the amendment required an entity to disclose the recoverable amount of each cash generating unit for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit is significant in comparison with the entity's total carrying amount of goodwill or of intangible assets with indefinite useful lives," the IASB said.

The latest amendments clarify the IASB's original intention: that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2014. Earlier application is permitted for periods when the entity has already applied IFRS 13.

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