

Status of Adoption into UK GAAP of IFRIC Interpretations

22 May 2013

The following tables set out which IFRICs have been adopted into UK GAAP, and which have not been and the reason for non-adoption.

IFRIC Interpretations adopted as UK Abstracts

Title		UK Abstract No.
IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments	Abstract 39
IFRIC 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment	Abstract 45
IFRIC 8	Scope of IFRS 2	Abstract 41
IFRIC 9	Reassessment of Embedded Derivatives	Abstract 42
IFRIC 11	IFRS 2 - Group and Treasury Share Transactions	Abstract 44
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	Abstract 46
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	Abstract 47

IFRIC Interpretations not adopted as UK Abstracts

Title		Reason for not adopting into UK GAAP
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Not considered an issue in need of a UK Abstract. The approach specified in the Interpretation is in line with the treatment of changes in estimates of decommissioning liabilities specified in the UK Statement of Recommended Practice (SORP) <i>Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities</i> issued by the UK Oil Industry Accounting Committee.
IFRIC 4	Determining whether an Arrangement contains a Lease	Already addressed in UK GAAP by FRS 5 <i>Reporting the Substance of Transactions</i> and the UK and Irish legal requirements on disclosure.
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Not considered an issue in need of a UK Abstract.

Title		Reason for not adopting into UK GAAP
IFRIC 7	Applying the Restatement Approach Under IAS 29 – Financial Reporting In Hyperinflationary Economies	Not considered an issue in need of a UK Abstract.
IFRIC 10	Interim Financial Reporting and Impairment	Already addressed in UK GAAP by ASB Statement 'Half-Yearly Financial Reports'.
IFRIC 12	Service Concession Arrangements	Already addressed in UK GAAP by FRS 5 Application Note F <i>Reporting the Substance of Transactions: Private Finance Initiative and Similar Contracts</i> .
IFRIC 13 ¹	Customer Loyalty Programmes	Already addressed in UK GAAP by FRS 5 Application Note G <i>Reporting the Substance of Transactions: Revenue Recognition</i> .
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Already addressed in UK GAAP by FRS 17 <i>Retirement Benefits</i> .
IFRIC 15	Agreements for the Construction of Real Estate	The UITF has decided this is not an issue in need of a UK Abstract as it is an interpretation of wording specific to IFRS and would, therefore, be difficult to fit into existing UK GAAP.
IFRIC 17 ²	Distributions of Non-cash Assets to Owners	The UITF has decided that the current accounting under UK GAAP is adequate.
IFRIC 18	Transfers of Assets from Customers	The UITF has decided that the current accounting under UK GAAP is adequate.
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	Not considered an issue in need of a UK Abstract.
IFRIC 21	Levies	This is under consideration by the Accounting Council as it was only issued by the IASB on 20 May 2013.

¹ The UITF noted that paragraphs G38 to G42 of FRS 5 Application Note G *Reporting the Substance of Transactions: Revenue Recognition* provide guidance on the accounting for vouchers that are redeemable against future purchases from the seller. Paragraph G38 provides that where the fair value of the voucher is significant in the context of the transaction, revenue should be reported at the amount of consideration received or receivable less the fair value of the voucher issued. The voucher represents a liability for future performance.

² The UITF noted that, although IFRIC 17 includes a consequential amendment to IAS 10 *Events after the Reporting Period*, paragraph BC20 of IFRIC 17 confirms that the International Accounting Standards Board has not changed the principle of when to recognise a dividend payable.