

International accounting standards for all students of the F pillar and all Case Studies

The CIMA syllabus for the F pillar (and BA3) makes numerous references to the International Accounting Standards. Although students are not expected to learn the title of each one, the content and application of a number of them are an essential part of the learning outcomes and examinable in both OT and CS Exams.

This table describes the content, briefly, of the standards that are currently in publication and the relevance to each CIMA paper. At the end of this article, we provide a summary of how the examinable date for IFRS is determined for the OT exams and offer illustrative examples.

Number	Name	Application/relevant articles	Useful to be studied in conjunction with:	Examinable papers
IFRS 1	First-time adoption of international financial standards	Not examinable.		
IFRS 2	Share-based payment	Explains how to recognise and measure cash-settled and equity-settled share based payments in financial statements.		From F2
IFRS 3	Business combinations	For the acquirer of a target entity, it explains how to recognise and measure: <ul style="list-style-type: none"> • assets and liabilities of the acquiree; • any non-controlling interest in the acquire; and <input type="checkbox"/> goodwill or a gain on a bargain purchase. Also explains the disclosure requirements to enable users to determine the nature and financial impact of the business combination.	IAS 27, IAS 28, IFRS 10, IFRS 11	From F1
IFRS 4	Insurance contracts to be replaced by IFRS 17 in Jan 2021	Not examinable.		
IFRS 5	Non-current assets held for sale and discontinued operations	Defines a non-current asset held for sale and explains how such an asset is measured and presented in the financial statements. Defines what is meant by a discontinued activity and explains the presentation and disclosure of such activities in the financial statements.	IAS 16, IAS 36	From F1
IFRS 6	Exploration for and Evaluation of mineral assets	Not examinable.		

IFRS 7	Financial instruments: disclosures	Provides the disclosure requirements regarding an entity's financial instruments that: <ul style="list-style-type: none"> • explain their significance; • describe the nature and extent of their risks; and • how an entity manages those risks. 	IAS 32, IAS 39	From F3
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IFRS 8	Operating segments	Provides the disclosure requirements for an entity's operating segments.		From F1
IFRS 9	Financial instruments	Not currently examinable but replaces IAS 39. Examinable from January 2019.		From F2. Mandatory for accounting periods beginning on or after 1 January 2018. Examinable from Jan 2019.
IFRS 10	Consolidated financial statements	For an entity that controls one or more other entities, sets out the principles for the presentation and preparation of the consolidated financial statements.	IAS 27, IAS 28, IFRS 3, IFRS 11	From F1
IFRS 11	Joint arrangements	Sets out the financial reporting principles for entities that have an interest in jointly controlled arrangements.		From F2
IFRS 12	Disclosure of interests in other entities	Describes the disclosure requirements for an entity that has interests in other entities to enable the users to evaluate the nature and risks of the relationships, in addition to the effects on the group financial statements.		From F2
IFRS 13	Fair value measurement	Defines fair value and describes how it is measured as well as the disclosure requirements about such measurements.		From F1
IFRS 14	Regulatory deferral accounts	Not examinable.		
IFRS 15	Revenue from contracts with customers	Not currently examinable but replaces IAS 18 and IAS 11. Examinable from January 2019.		Applies to annual reporting periods beginning on or after 1 January 2018. Examinable from January 2019.

IFRS 16	Leases	Not currently examinable but replaces IAS 17. Examinable from January 2019.		Applies to annual reporting periods beginning on or after 1 January 2019. Examinable from January 2019.
IFRS 17	Insurance contracts	Replaces IFRS4, effective 1.1.2021 but not examinable.		

IAS 1	Presentation of financial statements	Provides guidance on the presentation of statement of financial position (SoFP), statement of profit or loss other comprehensive income and statement of changes in equity (SOCIE). Also contains some useful guidance on general features, going concern, accruals concept and offsetting. Disclosure requirements for accounting policies is set out here and not in IAS 8.		From BA3
IAS 2	Inventories	Provides guidance on the determination of cost of inventory (raw materials, work in progress and finished goods), its valuation and any subsequent write-offs as an expense.		From BA3
IAS 7	Statement of cash flows	Provides guidance on definitions of cash and cash equivalents and how to present cash flows in a statement of cash flows.		From BA3
IAS 8	Accounting policies, changes in accounting estimates and errors	Prescribes the criteria for selecting and changing accounting policies. It also explains the accounting treatment and disclosure of changes in policies and accounting estimates and the correction of prior period errors.		From F1
IAS 10	Events after the reporting date	Describes the definition of events after the reporting period and explains how they are accounted for and any disclosures required.		From F1
IAS 11	Construction contracts	Superseded by IFRS 15. Prescribes the accounting treatment of revenue and costs associated with customer construction contracts.	IAS 11	From F2 (within revenue recognition)
IAS 12	Income taxes	Prescribes the accounting treatment of income taxes and deferred tax.		From F1
IAS 16	Property, plant and equipment	Explains the recognition and measurement of property, plant and equipment. This includes initial cost, subsequent expenditure, depreciation and revaluation of such assets.	IAS 23, IAS 36, IAS 38, IFRS 5	From BA3

IAS 17	Leases	Superseded by IFRS 16. Prescribes the appropriate accounting policies and disclosure for leases from both the lessee's and the lessor's perspective.		From F2
IAS 18	Revenue	Superseded by IFRS 15 (examinable from January 2019). Explains the recognition and disclosure requirements for revenue from the sales of goods and services, as well as income in the form of interest, royalties and dividends from assets.	IAS 11	From F2
IAS 19	Employee benefits	Prescribes the accounting and disclosure requirements by employers for employee benefits.		From F1

IAS 20	Accounting for government grants and the disclosure of government assistance	Explains the accounting treatment and disclosure of government grants and the disclosure of other forms of government assistance.		From F1
IAS 21	The effects of changes in foreign exchange rates	Considers the accounting treatment of transactions in a currency other than the entity's home currency. This includes transactions for an individual entity and how to translate a subsidiary entity in preparation for consolidation.		From F1
IAS 23	Borrowing costs	Prescribes the accounting treatment of borrowing costs incurred in the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale.	IAS 16	From F1
IAS 24	Related party disclosures	Explains the disclosure requirements that draw attention to the possibility that the statements of financial position and profit or loss may be affected by transactions and outstanding balances with parties related to the entity.		From F2
IAS 26	Accounting and reporting by Retirement Benefit Plans	Not examinable		
IAS 27	Separate financial statements	Outlines the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	IFRS 3, IFRS 10, IFRS 11, IAS 28	From F1
IAS 28	Investments in associates and joint ventures	Explains how to account for investments in associates. This includes the application of the equity method used when accounting for associates and joint ventures.	IAS 27, IFRS 3, IFRS 10, IFRS 11	From F1

IAS 29	Financial reporting in hyperinflationary economies	Not examinable		
IAS 32	Financial instruments: presentation	Prescribes the presentation of financial instruments.	IAS 39, IFRS 7 and IFRS 9	From F2
IAS 33	Earnings per share	Prescribes the principles for the calculation and presentation of basic and diluted earnings per share.		From F2
IAS 34	Interim financial reporting	Prescribes the minimum content of an interim set of financial statements.		From F1
IAS 36	Impairment of assets	Explains that an asset or cash generating unit cannot be reported at a value higher than its recoverable amount and how to account for any resulting impairment.	IAS 16, IAS 38	From F1
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Prescribes the accounting and disclosure requirements for provisions, contingent liabilities and contingent assets.	IAS 10	From F2
IAS 38	Intangible assets	Prescribes the recognition and measurement of intangible assets.	IAS 36	From BA3
IAS 39	Financial instruments	Superseded by IFRS 9 (examinable from Jan 2019). Provides the recognition and measurement of financial instruments. Hedge accounting is also included.	IAS 32, IFRS 7, IFRS 9	From F2
IAS 40	Investment property	Defines investment property and prescribes its recognition and measurement.	IAS 16	From F1
IAS 41	Agriculture	Not examinable		

Revised policy regarding examinable dates for IAS/IFRS in the CIMA OT exams from January 2018.

Previously, a cut-off date of 1 December in the year preceding the date on which International Accounting Standards, International Financial Reporting Standards and Exposure Drafts become effective was used for the purposes of assessment. Going forward, CIMA will be examining the new IFRS/ IAS in accordance with the effective date.

In this transition year, anything that is effective from Jan 2018 will NOT be examined until Jan 2019 but anything that is effective from Jan 2019 will be examinable from Jan 2019 too. To illustrate:

IFRS 15 is effective from Jan 2018 superseding IAS 18. Therefore, IAS 18 is examinable in 2018 and IFRS 15 will only be examinable from Jan 2019

IFRS 16 is effective from Jan 2019 superseding IAS 17. Therefore IAS 17 is examinable in 2018 and IFRS 16 will also be examinable from 2019 when it becomes effective.

NB: this rule is for OT Exams only. For CS Exams it is possible to refer to IFRS 15 and 16 this year as early adoption is allowed.