



IFRS

– upcoming changes

Status as at 31 May 2024

Tomasz Konieczny
Partner

We hereby present you with a summary of the amendments to the International Financial Reporting Standards enacted by the IFRS Board and our assessment of their impact on entities.

This summary is part of a broader publication entitled “**Changes in the reporting of public entities**” available in Polish at:

<https://www.pwc.pl/pl/publikacje/zmiany-w-MSSF-i-sprawozdawczosci-spolek-publicznych.html>.

An assessment of the impact on the application of IFRS presented in the form of a coloured code (● ● ● ●) is our subjective assessment, and the effect of the changes could differ, depending on the individual circumstances of a given entity.

The table allows the reader to quickly determine what is the status of the endorsement by the **EU** – the year from which the change is binding has been provided or there is an information that the change has not yet been endorsed (marked as: **EU-?**). The table also indicates whether a given change can be applied early (marked as: ✓) or whether it involves the need for the early adoption of other standards (marked as: !!!). The application date may differ for entities whose financial year is other than the calendar year.




In 2024, changes to the IFRS in general clarify the guidelines of the standards. The most important change worth paying attention to is the amendment to IAS 1 regarding the classification of liabilities as long- and short-term, which specifies that the assessment of the classification of liabilities should be made as at the balance sheet date based on the rights held by the entity, but should not be taken into account whether the individual will exercise these rights. Moreover, the change specifies that covenants in loan agreements, which the entity must comply with only after the balance sheet date, will not affect the classification of the liability as at the reporting date.

In addition to the above change, 2024 brings new requirements (IFRS7/IAS7) regarding the disclosure of information related to agreements for supplier finance, i.e. reverse factoring, which has become an increasingly popular liquidity management tool for several years. Additionally, entities that have sale-leaseback agreements should pay attention to the amendment to IFRS 16, which requires the seller-lessee to subsequently measure lease liabilities arising from the sale-leaseback in such a way as not to recognize the gain or loss related to the retained right of use.





We hope you will find this leaflet and the publication mentioned above helpful in disclosing information on the effect of the published standards (the requirement in IAS 8) and in understanding and preparing for the coming changes.

Summary of published amendments to IFRS

Nature of the amendment

-  New standard or interpretation
-  Amendment to the existing standard or interpretation
-  Amendment to standard under the IFRS improvements project

Impact assessment



















-  Significant effect on a number of entities in Poland;
-  Significant effect on a small group of entities operating in Poland;
-  The issue applies to a small group of entities in Poland, or an insignificant impact of the changes, or the changes introduce additional options or simplifications but do not impose new reporting obligations;
-  Generally no effect on entities operating in Poland, potential impact on foreign entities covered by consolidation or on first adopters of IFRS.

Effective year in the EU

2024 – the year from which the European Union requires applying a given amendment (where financial year = calendar year); **EU-?** – means that the amendment has not yet been endorsed and **NA** that it does not require endorsement, has been rejected or rejected by the EU (or approvals deferred).

Early application

Can the standard or its amendment be applied early (following its endorsement by the EU, if relevant) (✓ = Yes, ✗ = No, !! – yes, but it must also be applied early to other standards).

Approved by IASB for application after 1 January 2024			
		Amendments to IFRS 16 Leases – lease liability in a sale and leaseback transactions	EU-2024 ✓
		Amendments to IAS 1 Presentation of Financial Statements – classification of liabilities as current or non-current	EU-2024 ✓
		Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements	EU-2024 ✓
Approved by IASB for application after 1 January 2025			
		Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – lack of exchangeability	EU-? ✓
Approved by IASB for application after 1 January 2026			
		Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments	EU-? ✓
Approved by IASB for application after 1 January 2027			
		IFRS 18 Presentation and disclosure in financial statements	EU-? ✓
		IFRS 19 Subsidiaries without Public Accountability: Disclosures	EU-? ✓
Amendments rejected or deferred by the EU (endorsed by the IASB for application after 1 January 2016)			
		IFRS 14 Regulatory Deferral Accounts	NA ✓
		Amendments to IFRS 10 Consolidated Financial Statements and to IAS 28 Investments in Associates regarding the sale or contribution of assets between an investor and its associates or joint ventures	NA ✓

Our team will provide you with further information



Tomasz Konieczny
Partner
tomasz.konieczny@pwc.com



Marta Madejska
Director
marta.madejska@pwc.com



Grażyna Dadd
Director
grazyna.dadd@pwc.com



Katarzyna Gospodarczyk-Chlastawa
Senior manager
katarzyna.gospodarczyk@pwc.com



Marta Stypułkowska-Molga
Senior manager
marta.stypulkowska-molga@pwc.com



Trinh Diep Nguyen
Senior manager
diep.nguyen@pwc.com



Magda Makselon
Manager
magda.makselon@pwc.com