

Changes in this edition

This section is a brief guide to the changes since the 2015 edition of the Bound Volume of International Financial Reporting Standards (the 'Red Book') that are incorporated in this edition.

Introduction

This volume includes the latest consolidated versions of all IFRS Standards.

This volume includes amendments to Standards that have an effective date after 13 January 2016. Readers seeking only the consolidated text of Standards that are effective on 1 January 2016 should refer to the Blue Book.

New requirements since the 2015 Red Book

The following are the main changes made since 1 January 2015:

- one new Standard—IFRS 16 *Leases*;
- *Change of Effective Date of IFRS 15*; and
- *Change of Effective Date of Amendments to IFRS 10 and IAS 28*.

New Standard

IFRS 16 *Leases*

IFRS 16 *Leases* was issued in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers* at or before the date of initial application of IFRS 16. IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases—Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Amendments to Standards issued as separate documents

Change of Effective Date of IFRS 15

Effective Date of IFRS 15 was issued in September 2015 deferring the mandatory effective date of IFRS 15 *Revenue from Contracts with Customers* from 1 January 2017 to 1 January 2018. IFRS 15 continues to permit early application of IFRS 15. The main reason for this amendment is to allow time for entities to first apply IFRS 15 together with the clarifying amendments to the Standard that the IASB expects to issue in 2016. These clarifying

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amendments arise from the IASB's consideration of some issues that were highlighted by the discussions of the Transition Resource Group (TRG) for Revenue Recognition. The TRG was established by the IASB and the US Financial Accounting Standards Board (FASB) after the Standard was issued in May 2014 to support entities in its implementation.

Change of Effective Date of Amendments to IFRS 10 and IAS 28

Effective Date of Amendments to IFRS 10 and IAS 28, a narrow scope amendment to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Associates and Joint Ventures*, was issued in December 2015. The amendment defers indefinitely the effective date of *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* which was issued in September 2014, pending the outcome of the Board's research project on equity accounting. The deferral is effective on publication.

Other material that has changed

The *Glossary* has been revised.

Minor editorial corrections to Standards (including necessary updating) have been made; a list of these is available on the website.