CHARTERED PROFESSIONAL ACCOUNTANTS CANADA

Summary Comparison of Canadian GAAP Accounting Standards for Private Enterprises (Part II) and IFRSs (Part I)

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Introduction

This document provides a high-level comparison of accounting standards for private enterprises as set out in Part II of the CPA Canada Handbook – Accounting (Handbook) and International Financial Reporting Standards (IFRSs) as set out in Part I of the Handbook. It covers significant recognition and measurement differences only and does not necessarily include all of the differences that might arise in a particular entity's circumstances. Presentation and disclosure requirements are not within the scope of this comparison. The principal presentation requirements for Part II are provided in Section 1520, *Income Statement*, Section 1521, *Balance Sheet*, and Section 1540, *Cash Flow Statement*. A compilation of disclosure requirements is also provided in Part II of the Handbook.

The standards in Part I and Part II of the Handbook are based on conceptual frameworks that are substantially the same. They cover many of the same topics and reach similar conclusions on many issues. The style and form of each set of standards are generally quite similar. The standards in Parts I and II are laid out in the same way, highlight the principles and use similar language. However, the standards in Part II were developed separately from those in Part I and reflect the specific circumstances of private enterprises. Consequently, there are a number of differences between the standards. The term "substantially similar" has been used in the comparison when the standards in Part II are substantially the same as the relevant standards in Part I.

This comparison is organized according to the standards in Part II of the Handbook and reflects standards effective for fiscal years beginning on or after September 1, 2016. Information on new standards, or significant changes to standards that have been issued but are only required to be applied to later periods are provided in the column headed "Standards issued but not effective". (New standards may be able to be adopted before the date at which they are required to be applied.)

At any time, the AcSB has projects in process to amend the standards in Part II and the IASB has projects in process to amend IFRSs. The exact content and timing of a new or amended standard is not certain until the standard-setting process is complete. Information on the AcSB and IASB's current projects is not included in the comparison. Details on these projects can be found on the **AcSB** and **IASB** websites.

This comparison has been prepared by the staff of CPA Canada and has not been approved by any Board or Committee of CPA Canada. It should not be relied on in preparing financial statements. To understand fully the implications of applying and preparing financial statements in accordance with Part I or Part II of the Handbook, users of this comparison must refer to the standards themselves.

Summary Comparison of Canadian GAAP Accounting Standards for Private Enterprises (Part II) and IFRSs (Part I)

Comparison of ASPE and IFRS

(as of September 1, 2016)

Handbook Part II *IFRS Equivalents* (Part I)	Comparison of Accounting Treatments	Standards Issued but Not Effective	Significance of Differences[1]
Section 1000, Financial Statement Concepts *Conceptual Framework*	Section 1000 and the IASB Framework are **substantially similar** except that the IASB Framework describes concepts of financial and physical capital maintenance without prescribing that a particular concept should apply, whereas Section 1000 specifies that financial statements are prepared with capital maintenance measured in financial terms.	In May 2015, the IASB released an exposure draft (ED) which revises its conceptual framework. The purpose of the ED is to clarify key accounting topics. The ED proposes to modify the definition of assets and liabilities, whereby these elements will have two essential characteristics, instead of three.	The proposed definition changes of assets and liabilities will overall consist of similar characteristics to those currently in Section 1000, however the new wording is meant to provide additional guidance.

1 The assessment of significance of differences is a judgment made by CPA Canada staff in general terms. A difference may be significant to a particular transaction or entity depending on its materiality or nature.

Handbook Part II ***IFRS Equivalents*** **(Part I)**	**Comparison of Accounting Treatments**	**Standards Issued but Not Effective**	**Significance of Differences**[1]
Section 1100, Generally Accepted Accounting Principles *IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors*	Section 1100 and the corresponding requirements of IAS 8 are **substantially similar**.	None.	Not significant.
Section 1400, General Standards of Financial Statement Presentation *IAS 1, Presentation of Financial Statements*	Section 1400 and the corresponding requirements of IAS 1 are **substantially similar**, except that IAS 1: i. permits departure from standards if it would be so misleading as to conflict with the objective of financial statements set out in the IASB's Framework and if the relevant regulatory framework for the enterprise permits or requires such a departure; ii. does not require a statement of retained earnings, but does require a statement of changes in equity; iii. does not permit comparative information to be omitted in the rare circumstances when it is not meaningful; and iv. requires a statement of financial position as at the beginning of the earliest comparative period when there is retrospective application of an accounting policy that restates or reclassifies items.	None.	Potentially significant, depending on the enterprise's circumstances.
Section 1500, First-time Adoption IFRS 1, *First-time Adoption of International Financial Reporting Standards*	Section 1500 and IFRS 1 are **substantially similar**. The exemptions in each standard are specific to the related GAAP and, consequently, are not always the same. For example, Section 1500 includes an exemption for related party transactions not provided in IFRS 1.	None.	Significance depends on the extent of differences in the individual standards in Parts I and II.
Section 1505, Disclosure of Accounting Policies *IAS 1, Presentation of Financial Statements*	All requirements in this Section relate to disclosures, which are outside the scope of this summary comparison.	—	—

Handbook Part II *IFRS Equivalents* (Part I)	Comparison of Accounting Treatments	Standards Issued but Not Effective	Significance of Differences[1]
Section 1506, Accounting Changes *IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors*	Section 1506 and the corresponding requirements of IAS 8 are **substantially similar**, except that: i. IAS 8 allows an entity to be exempt from the requirement to restate prior periods for the correction of an error on grounds of impracticability; and ii. Section 1506 permits certain accounting policy choices to be changed without meeting the criterion of providing more relevant or reliable information.	None.	Significant.
Section 1508, Measurement Uncertainty *IAS 1, Presentation of Financial Statements*	All requirements in this Section relate to disclosures, which are outside the scope of this summary comparison.	—	—
Section 1510, Current Assets and Current Liabilities *IAS 1, Presentation of Financial Statements*	Section 1510 and the corresponding requirements in IAS 1 are **substantially similar,** except that IAS 1 requires presentation in order of liquidity when such presentation provides information that is reliable and more relevant.	None.	Not significant.
Section 1520, Income Statement *IAS 1, Presentation of Financial Statements*	Section 1520 reflects income statement presentation requirements from other Sections. IFRS requires certain information to be presented in other comprehensive income. Part II does not provide for presentation of items in other comprehensive income. Other presentation differences are outside the scope of this comparison.	None.	Significant.
Section 1521, Balance Sheet *IAS 1, Presentation of Financial Statements*	Section 1521 reflects balance sheet presentation requirements from other Sections. IFRS provides for separate presentation of accumulated other comprehensive income in equity. That item does not exist in Part II. Other presentation differences are outside the scope of this comparison.	None.	Significant.
Section 1540, Cash Flow Statements *IAS 7, Statement of Cash Flows*	Section 1540 and IAS 7 are **substantially similar**.	None.	Not significant.

Handbook Part II ***IFRS Equivalents*** **(Part I)**	**Comparison of Accounting Treatments**	**Standards Issued but Not Effective**	**Significance of Differences**[1]
Section 1582, Business Combinations *IFRS 3, Business Combinations*	Section 1582 and IFRS 3 are **substantially similar**, except that: i. Section 1582 allows for certain exceptions to the measurement principle which includes asset retirement obligations, whereas IFRS 3 does not explicitly allow for an exception for asset retirement obligations. ii. For subsequent measurement of contingent consideration, Section 1582 states that it will be re-measured when the 'contingency is resolved', while under IFRS re-measurement is at each reporting date.	None.	Not Significant.
Section 1591, Subsidiaries *IFRS 10, Consolidated Financial Statements* *IAS 27, Separate Financial Statements (amended in 2011)*	Section 1591 **differs** from the corresponding requirements in IFRS 10 as follows: i. IFRS 10 assesses whether control exists based on an investor's (a) power over the investee, (b) exposure or rights to variable returns from its involvement in the investee and (c) its ability to affect those returns, whereas Section 1591 assesses the existence of control based on an investor's continuing ability to determine strategic, operating, investing and financing policy decisions of the investee; and ii. IFRS 10 requires consolidation of all subsidiaries, unless the investor is — an investment entity that is required to measures interests in the subsidiary in accordance with IFRS 9; — a wholly-owned subsidiary. Section 1591 permits an enterprise to consolidate all of its subsidiaries. Alternatively, it can account for subsidiaries controlled through voting interests, potential voting interest, or combination thereof, using the cost method or the equity method. Under Section 1591, subsidiaries may be accounted for using the cost or equity methods in non-consolidated financial statements. IAS 27 provides a choice between cost, equity and IFRS 9 when specified conditions are met.	None.	Significant.

Handbook Part II ***IFRS Equivalents*** **(Part I)**	**Comparison of Accounting Treatments**	**Standards Issued but Not Effective**	**Significance of Differences[1]**
Section 1601, Consolidated Financial Statements *IFRS 10, Consolidated Financial Statements*	Section 1601 and IFRS 10 are **substantially similar**, except that: i. IFRS 10 prescribes that subsidiary's financial statements and that of the consolidated financial statements shall be no more than three months, while Section 1601 does not have such a requirement.	None.	Not Significant.
Section 1602, Non-controlling Interests *IFRS 10, Consolidated Financial Statements* *IFRS 12, Disclosure of Interests in Other Entities*	Section 1602 and IFRS 10 are **substantially similar**, except that: i. IFRS 10 requires that when an investor loses control of a subsidiary, the investor recognizes any investment retained in the former subsidiary at its fair value when control is lost. Section 1602 requires the investor to recognize any investment retained in the former subsidiary at its carrying amount at the date when control is lost.	None.	Not Significant.
Section 1625, Comprehensive Revaluation of Assets and Liabilities	There is **no corresponding IFRS**.	None.	Could be significant for entities undertaking reorganizations and some business acquisitions.
Section 1651, Foreign Currency Translation *IAS 21, The Effects of Changes in Foreign Exchange Rates* *IAS 29, Financial Reporting in Hyperinflationary Economies*	Section 1651 and IAS 21 are **substantially similar**, except that IAS 21 requires that non-monetary items measured at fair value be translated at the date when the fair value was determined rather than the balance sheet date. IAS 21 also addresses the use of a presentation currency other than the functional currency. For accounting in highly inflationary environments, IAS 29 is more comprehensive than Section 1651, including providing requirements for restating financial statements to an inflation-adjusted basis before translation.	None.	Differences could be significant depending on an entity's foreign currency denominated assets. Significant for entities operating in a highly inflationary environment.
Section 1800, Unincorporated Businesses	There is **no corresponding IFRS**.	None.	Significant for unincorporated businesses.

Handbook Part II ***IFRS Equivalents*** **(Part I)**	**Comparison of Accounting Treatments**	**Standards Issued but Not Effective**	**Significance of Differences**[1]
Section 3031, Inventories *IAS 2, Inventories* *IAS 41, Agriculture*	Section 3031 and IAS 2 are **substantially similar**, except that Section 3031 has different scope exemptions than IAS 2 because of the guidance in IAS 11, *Construction Contracts*, and IAS 41, *Agriculture*, that are not addressed in Part II.	The scope exemption in IAS 2 related to work in progress arising under construction contracts does not apply for companies that have adopted IFRS 15, *Revenue from Contracts with Customers*.	Possibly significant for enterprises with inventories of agricultural products or involved with construction contracts.
Section 3051, Investments *IAS 28, Investments in Associates and Joint Ventures (amended in 2011)* *IFRS 12, Disclosure of Interests in Other Entities* *IAS 36, Impairment of Assets*	Section 3051 **differs** from the corresponding requirements in IAS 28 and IAS 36 as follows: i. Section 3051 permits an enterprise to account for significantly influenced investees using either the cost or equity method. (An investment in a significantly influenced investee whose equity securities are quoted in an active market cannot be accounted for at cost but may be accounted for at its quoted amount.) IAS 28 requires the use of the equity method, except when: — the investor is exempt from consolidation under IFRS 10.4(a); — the investment is a wholly-owned subsidiary; or it has been classified as held for sale. ii. IFRSs determine an impairment loss as being the excess of the carrying amount above the recoverable amount (the higher of fair value less costs to sell and value in use, calculated as the present value of future cash flows from the asset), rather than the excess of the carrying amount above the higher of the present value of future cash flows and the amount that could be realized from selling the investment. *(See also AcG-18 below.)*	None.	Significant.

Handbook Part II *IFRS Equivalents* **(Part I)**	**Comparison of Accounting Treatments**	**Standards Issued but Not Effective**	**Significance of Differences**[1]
Section 3056, Interests in Joint Arrangements *IFRS 11, Joint Arrangements* *IFRS 12, Disclosure of interests in other entities* *IAS 28, Investments in Associates and Joint Ventures (amended in 2011)*	Section 3056 **differs** from IFRS 11 for interests in joint arrangements. Section 3056 permits an enterprise to account for interests in jointly controlled enterprises (JCE) using the cost method or the equity method, or perform an analysis to determine whether it should account for the individual assets and liabilities. (An investment in a joint arrangement whose equity securities are quoted in an active market cannot be accounted for at cost but may be accounted for at fair value.) An interest in a JCE that represents interests in individual assets and liabilities may also be accounted for as an interest in jointly controlled assets. IFRS 11 requires an enterprise to account for interests in joint arrangements where the parties have rights to the net assets of the arrangements using the equity method.	None.	Significant.
Section 3061, Property, Plant and Equipment Accounting Guideline AcG-16, Oil and Gas Accounting—Full Cost *IFRS 6, Exploration for and Evaluation of Mineral Resources* *IAS 16, Property, Plant and Equipment* *IAS 40, Investment Property*	Section 3061 and IAS 16 and IAS 40 are **substantially similar**, except that: i. IAS 16 permits the revaluation of property, plant and equipment to fair value; ii. IAS 16 requires the depreciable amount to be the asset cost less its residual value, rather than using the greater of the asset cost less its residual value or asset cost less its salvage value; iii. IAS 16 requires that components that represent a significant cost in relation to the total cost of the item, should be depreciated separately. There is no mention of “practicability” in IAS 16. iv. IAS 16 requires that the costs related to major inspections, and safety be capitalized. v. IAS 16 requires that for incidental operations related to an item, not necessary to bring an item to the location and condition necessary for it to be capable of operating in the manner intended by management, the income and related expenses of incidental operations would be recognized in profit or loss. Under Section 3061, this would be included in the items cost.	None.	Not significant.

Handbook Part II *IFRS Equivalents* (Part I)	Comparison of Accounting Treatments	Standards Issued but Not Effective	Significance of Differences[1]
Section 3061, Property, Plant and Equipment Accounting Guideline AcG-16, Oil and Gas Accounting—Full Cost *IFRS 6, Exploration for and Evaluation of Mineral Resources* *IAS 16, Property, Plant and Equipment* *IAS 40, Investment Property* *(continued)*	vi. IAS 16 applies to bearer plants; and vii. IAS 40 allows investment property to be accounted for using a fair value or a cost-based model. Additional guidance on accounting for oil & gas properties is provided in AcG-16 and IFRS 6.	None.	Not significant.
Section 3063, Impairment of Long-lived Assets *IAS 36, Impairment of Assets*	Section 3063 **differs** from IAS 36 as IAS 36: i. does not include a separate trigger for recognizing impairment losses based on an assessment of undiscounted cash flows; ii. determines an impairment loss as the excess of the carrying amount of an asset or group of assets above the recoverable amount (the higher of fair value less costs to sell and value in use), rather than the difference between carrying amount and fair value; and iii. requires the reversal of an impairment loss, other than for goodwill, when there has been a change in estimates used to determine the recoverable amount.	None.	Significant.
Section 3065, Leases *IAS 17, Leases*	Section 3065 and IAS 17 are **substantially similar**, except that IAS 17: i. uses the term—finance lease in the same manner as Section 3065 uses—capital lease; and ii. does not subdivide finance leases into sales-type leases and direct financing leases.	IFRS 16, *Leases*, was issued in January 2016. IFRS 16 requires a lessee to recognize assets and liabilities on the balance sheet for most leases. Lease expense consists of amortization of lease assets and interest on lease liabilities. IFRS 16 is effective for fiscal years beginning on or after January 1, 2019. Earlier application is permitted.	Not significant. However, differences significant once IFRS 16 is effective.

Handbook Part II *IFRS Equivalents* (Part I)	Comparison of Accounting Treatments	Standards Issued but Not Effective	Significance of Differences[1]
Section 3110, Asset Retirement Obligations *IAS 16, Property, Plant and Equipment* *IAS 37, Provisions, Contingent Liabilities and Contingent Assets* *IFRIC 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities (IAS 1, IAS 8, IAS 16, IAS 23, IAS 36, IAS 37)*	Section 3110 is **more detailed** than the corresponding requirements of IAS 16, IAS 37 and IFRIC 1.	None.	Not significant.
Section 3240, Share Capital *IAS 1, Presentation of Financial Statements*	Section 3240 and the corresponding requirements of IAS 1 are **substantially similar**.	None.	Not significant.
Section 3251, Equity *IAS 1, Presentation of Financial Statements*	All requirements in Section 3251 relate to presentation, which is outside the scope of this summary comparison. Section 3251 and the corresponding requirements of IAS 1 **differ** as Section 3251 does not include accumulated other comprehensive income.	None.	—
Section 3260, Reserves *IAS 1, Presentation of Financial Statements*	Section 3260 and the corresponding requirements of IAS 1 are **substantially similar**.	None.	Not significant.
Section 3280, Contractual Obligations *IAS 1, Presentation of Financial Statements*	All requirements in Section 3280 relate to disclosures, which are outside the scope of this summary comparison.	None.	—

Handbook Part II ***IFRS Equivalents*** **(Part I)**	**Comparison of Accounting Treatments**	**Standards Issued but Not Effective**	**Significance of Differences**[1]
Section 3290, Contingencies *IAS 37, Provisions, Contingent Liabilities and Contingent Assets*	Section 3290 and IAS 37 are **substantially similar**, except that under IAS 37: i. a contingent liability is recognized as a provision when the outflow of economic benefits is more likely than not to be required to settle the obligation; and ii. a debit balance is recognized as an asset when realization of income is virtually certain. *(See also AcG-14 below.)*	None.	May be significant for the recognition of legal and other liabilities and contingent assets.
Section 3400, Revenue *IAS 11, Construction Contracts* *IAS 18, Revenue* *IFRIC 12, Service Concession Arrangements* *SIC 31, Revenue—Barter Transactions Involving Advertising Services*	Recognition criteria in Section 3400 and IAS 11, IAS 18, SIC 31 and IFRIC 12 are **substantially similar**, except that: i. IAS 11 does not allow the completed contract method; ii. IAS 11 provides more guidance on work in process; iii. IAS 18 includes measurement standards requiring fair value for consideration received or receivable; iv. IFRIC 12 provides guidance on recognition and measurement of the obligations and related rights in service concession arrangements; v. SIC 31 deals with barter transactions involving advertising services specifically; and vi. both sets of standards have application guidance in various other related standards. *(See also AcG-2 and AcG-4 below.)*	IFRS 15, *Revenue from Contracts with Customers* was issued in May 2014. Section 3400 **differs** from IFRS 15. Under IFRS 15, revenue is recognized when performance obligations are met by transferring a promised good or service to a customer. Section 3400 provides for the recognition of revenue when the significant risks and rewards of ownership are transferred. Section 3400 also permits a choice between the percentage of completion method and the completed contract method for service contracts and long-term contracts. IFRS 15 contains more detailed guidance on multi-element sales contracts. IFRS 15 is effective for fiscal years beginning on or after January 1, 2018. Earlier application is permitted.	May be significant for some entities.

Handbook Part II ***IFRS Equivalents*** **(Part I)**	**Comparison of Accounting Treatments**	**Standards Issued but Not Effective**	**Significance of Differences[1]**
Section 3462, Employee Future Benefits *IAS 19, Employee Benefits (amended in 2011)* *IFRIC 14, IAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	In accounting for defined benefit plans, Section 3462 and IAS 19 and IFRIC 14 are **substantially similar**, except that: i. IAS 19 requires the defined benefit obligation to be determined using an accounting valuation and does not permit the use of a funding valuation; ii. IAS 19 recognizes remeasurements of the net defined benefit liability (asset) in other comprehensive income, instead of income; iii. When immediate settlement of the defined benefit obligation is possible, IAS 19 does not permit measurement of that obligation using a settlement rate for the obligation; and iv. When a defined benefit plan has assets in excess of the obligation, IFRIC 14 has additional guidance regarding the availability of a refund or a reduction in future contributions, the effect of a minimum funding requirement, and when a minimum funding requirement might give rise to a liability.	The IASB issued an Exposure Draft proposing narrow-scope amendments to IAS 19 and IFRIC 14 and is analyzing comments received. These amendments relate to remeasurement on a plan amendment, curtailment or settlement, and the availability of a refund from a defined benefit plan. They are designed to improve information for investors and address some diversity in practice.	Significant.
Section 3465, Income Taxes *IAS 12, Income Taxes* *SIC 25, Income Taxes — Changes in the Tax Status of an Enterprise or Its Shareholders*	Section 3465 and IAS 12 **differ** as IAS 12 does not permit the taxes payable method. The future income tax method in Section 3465 and IAS 12 are **substantially similar** on the principle for the recognition and measurement of taxes, but have different exceptions to the principle. Section 3465 **differs** from IAS 12 as IAS 12: i. continues to allocate to equity any current year deferred taxes on items that are related to an item charged to equity in a prior year (backward tracing); ii. prohibits recognition of a deferred tax liability if it arises from the initial recognition of specified assets or liabilities in a transaction that is not a business combination and does not affect accounting or taxable income at the time;	None.	Significant.

Handbook Part II ***IFRS Equivalents*** **(Part I)**	**Comparison of Accounting Treatments**	**Standards Issued but Not Effective**	**Significance of Differences**[1]
Section 3465, Income Taxes *IAS 12, Income Taxes* *SIC 25, Income Taxes—Changes in the Tax Status of an Enterprise or Its Shareholders* *(continued)*	iii. requires recognition of a deferred tax liability or asset for temporary differences that arise on translation of non-monetary assets that are remeasured from the local currency to the functional currency using historical rates and result from changes in exchange rates and indexing for tax purposes; iv. requires recognition of an income tax asset or liability when there is a temporary difference on intercompany transfers of assets; v. addresses the consequences of a change in tax status of the entity (and SIC 25 requires that the effects of such a change be allocated based on its origin); and vi. requires an estimate of the tax deduction authorities will permit on share-based payment transactions in future years.	None.	Significant.
Section 3475, Disposal of Long-Lived Assets and Discontinued Operations *IFRS 5, Non-current Assets Held for Sale and Discontinued Operations*	Section 3475 and IFRS 5 are **substantially similar**, except that IFRS 5: i. does not allow assets held for distribution to owners to be depreciated; and ii. requires assets held for distribution to be measured at the lower of fair value less costs to distribute or carrying amount.	None.	Not significant.
Section 3610, Capital Transactions	There is **no corresponding IFRS**.	None.	Not significant.
Section 3800, Government Assistance *IAS 20, Accounting for Government Grants and Disclosure of Government Assistance* *SIC 10, Government Assistance—No Specific Relation to Operating Activities*	Section 3800, IAS 20 and SIC 10 are **substantially similar**, except that IAS 20: i. permits the recognition of non-monetary government grants at zero; and ii. excludes government grants covered by IAS 41, *Agriculture*.	None.	Significant for entities with non-monetary government grants.

Handbook Part II *IFRS Equivalents* (Part I)	Comparison of Accounting Treatments	Standards Issued but Not Effective	Significance of Differences[1]
Section 3805, Investment Tax Credits	There is **no corresponding IFRS**. IAS 12, *Income Taxes*, and IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, specifically scope out investment tax credits.	None.	May be significant for enterprises with certain types of investment tax credits.
Section 3820, Subsequent Events *IAS 10, Events after the Reporting Date*	Section 3820 and IAS 10 are **substantially similar**.	None.	None.
Section 3831, Non-monetary Transactions *IAS 16, Property, Plant and Equipment* *IAS 38, Intangible Assets* *IAS 40, Investment Property* *SIC 31, Revenue—Barter Transactions Involving Advertising Services*	Section 3831 is **more comprehensive** than IAS 16, IAS 38 and IAS 40 as Section 3831 applies to a broader range of non-monetary transactions. Sections 3400 and 3831 provide **less comprehensive** guidance than SIC 31 on barter transactions involving advertising services.	SIC 31 is replaced by IFRS 15, *Revenue from contracts with customers*, which was issued in 2014 and is effective for fiscal years beginning on or after January 1, 2018.	Significant for certain non-monetary transactions. Barter transaction difference could be significant for entities that barter advertising and other services.
Section 3840, Related Party Transactions *IAS 24, Related Party Disclosures*	Section 3840 **differs** from IAS 24 as IAS 24 does not contain requirements for measuring related party transactions or guidance on the resulting treatment of any gains and losses. Also, IAS 24 includes in its scope management compensation arrangements, expense allowances and similar payments to individuals in the normal course of operations.	None.	Significant in specific circumstances.
Section 3841, Economic Dependence	There is **no corresponding IFRS**. All requirements in Section 3841 relate to disclosures, which are outside the scope of this summary comparison.	None.	—
Section 3850, Interest Capitalized—Disclosure Considerations *IAS 23, Borrowing Costs*	Section 3850 **differs** from IAS 23 as IAS 23 does not allow the expensing of borrowing costs to the extent they are directly attributable to acquisition, production and construction of a qualifying asset. IAS 23 also includes guidance on how to determine the amount of borrowing costs eligible for capitalization.	None.	Significant for entities whose accounting policy is to expense borrowing costs.

Handbook Part II ***IFRS Equivalents*** **(Part I)**	**Comparison of Accounting Treatments**	**Standards Issued but Not Effective**	**Significance of Differences**[1]
Section 3856, Financial Instruments *IFRS 7, Financial Instruments: Disclosures* *IFRS 9, Financial Instruments* (applies to financial assets within the scope of IAS 39; adoption not required until 2018 with early adoption permitted.) *IAS 32, Financial Instruments: Presentation* *IAS 39, Financial Instruments: Recognition and Measurement* *IFRS 13, Fair Value Measurement*	Section 3856 **differs** from IAS 39. Some of the key differences are that IAS 39: i. requires financial instruments to be categorized and measured according to their categorization; ii. requires financial instruments that are held for trading and financial assets classified as available for sale to be measured at fair value; iii. records gains and losses for available for sale instruments in other comprehensive income; iv. does not permit the equity component of convertible debt and warrants or options issued with, and detachable from, financial liabilities to be measured at zero; the equity component must be measured as the difference between the proceeds and the fair value of the liability component; v. does not require preferred shares issued in a specified tax planning arrangement to be classified as equity; vi. employs a fair value-based model for hedge accounting that requires quantitative assessments of effectiveness rather than a narrowly prescribed set of hedging relationships; vii. does not address financial instruments exchanged or issued in related party transactions; viii. does not focus on legal isolation in assessing derecognition but on risks and rewards of ownership; ix. provides comprehensive guidance on derecognition of financial instruments that is different to and more comprehensive than that in Section 3856; x. provides guidance on accounting for embedded derivatives; and xi. impaired financial assets that are measured at amortized are discounted at the original effective interest rate. IFRS 13 sets out a single framework for measuring fair value and requires disclosures about fair value measurements.	IFRS 9, *Financial Instruments*, was issued in July 2014. Under IFRS 9, financial instruments are measured at a. amortized cost; b. fair value through profit or loss: or c. fair value though other comprehensive income depending on specific criteria in IFRS 9. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. However, the Standard is available for early application.	Significant.

Handbook Part II ***IFRS Equivalents*** **(Part I)**	**Comparison of Accounting Treatments**	**Standards Issued but Not Effective**	**Significance of Differences**[1]
Section 3870, Stock-based Compensation and Other Stock-based Payments *IFRS 2, Share-based Payments*	Section 3870 and IFRS 2 are **substantially similar**, except that IFRS 2: i. does not provide an exemption for the recognition of an expense when an employee share purchase plan provides a discount to employees that does not exceed the per-share amount of share issuance costs that would have been incurred to raise a significant amount of capital by a public offering and is not extended to other holders of the same class of shares; ii. requires that share-based payments to non-employees be measured at the date the entity obtains the goods or the counterparty renders service; iii. requires cash-settled share-based payments are measured at the fair value of the liability not intrinsic value; iv. requires an enterprise to account for both the debt and equity components, if the employee has the ability settle for cash or equity (IFRS 2.35). v. requires share-based payments to be recognized as services have been rendered, rather than only at the grant date (IFRS 2.15, 3870.14) vi. requires the transaction to be accounted for as a cash-settled transaction if the entity has incurred a liability to settle in cash or other assets, or as an equity-settled transaction if no such liability has been incurred; and vii. is more detailed about how to deal with a modification of an award. Section 3870 permits use of the calculated value method when share price volatility cannot be otherwise estimated without undue cost or effort. Under the calculated value method an enterprise estimates the volatility that is used as an input to a stock option pricing model based on an appropriate sector index.	None.	Significant for certain share-based payment arrangements.

Handbook Part II *IFRS Equivalents* (Part I)	Comparison of Accounting Treatments	Standards Issued but Not Effective	Significance of Differences[1]
Accounting Guideline AcG-2, Franchise Fee Revenue *IAS 18, Revenue*	AcG-2 is **more comprehensive** than IAS 18.	IFRS 15 was issued in 2014 and is effective for fiscal periods beginning on or after January 1, 2018. IFRS 15 replaces IAS 18.	Not significant.
Accounting Guideline AcG-14, Disclosure of Guarantees *IFRS 7, Financial instruments: disclosures* *IAS 37, Provisions, Contingent Liabilities and Contingent Assets*	All requirements in AcG-14 relate to disclosures, which are outside the scope of this summary comparison.	None.	—
Accounting Guideline AcG-16, Oil and Gas Accounting—Full Cost *IFRS 6, Exploration for and Evaluation of Mineral Resources* *IAS 16, Property, Plant and Equipment* *IAS 36, Impairment of Assets*	AcG-16 and the relevant portions of Section 3061 are **more comprehensive** than IFRS 6 as IFRS 6 only provides guidance during the exploration and the evaluation of mineral resources up to the point that technical feasibility and commercial viability of extraction is demonstrated. IFRS 6 would permit a form of full cost accounting during the exploration and evaluation phases, but the full cost accounting model cannot be extended to the development and production phases. Accounting during these phases will generally be by analogy to IAS 16 and IAS 36.	None.	Significant for enterprises using full cost accounting in the development and production phases under Part II.
Accounting Guideline AcG-18, Investment Companies *IFRS 10, Consolidated Financial Statements* *IAS 28, Investments in Associate* *IAS 39, Financial Instruments and Measurement*	AcG-18 and IFRS 10 are **substantially similar**, except that: i. IFRS 10's definition of "investment entities" differs from that of "investment companies" in AcG-18; and ii. IFRS 10 requires investment entities to measure investments in subsidiaries at fair value. An investment entity may measure investments in joint ventures and investments subject to significant influence at fair value if it meets the criteria in IAS 28. AcG-18 requires that investment companies measure their investments in subsidiaries, joint ventures and investments subject to significant influence at fair value.	None.	May be significant for investment entities with investments in joint ventures or investments subject to significant influence.

Handbook Part II *IFRS Equivalents* (Part I)	Comparison of Accounting Treatments	Standards Issued but Not Effective	Significance of Differences[1]
Accounting Guideline AcG-19, Disclosures by Entities Subject to Rate Regulation *IFRS 14, Regulatory Deferral Accounts*	IFRS 14 provides guidance on recognition, measurement, impairment and derecognition as well as presentation and disclosure. AcG-19 relates only to disclosures.	None.	—

Part I Standards that Have No Counterpart in Part II

(as of September 1, 2016)

IFRS	Summary and Other Comments	Standards Issued but Not Effective
IFRS 4, Insurance Contracts	IFRS 4 provides specific guidance on financial reporting for insurance contracts by entities issuing such contracts. Such entities are publicly accountable entities.	None.
IFRS 8, Operating Segments	IFRS 8 specifies how an entity should report information about operating segments in its financial statements.	None.
IFRS 14, Regulatory Deferral Accounts	IFRS 14 permits an entity which is a first-time adopter of IFRS to continue to account, with some limited changes, for ‘regulatory deferral account balances’ in accordance with previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Certain standards in Part II (e.g., Section 3061, Property, Plant and Equipment) address the accounting for assets and liabilities associated with rate-regulated activities.	None.
IAS 26, Accounting and Reporting by Retirement Benefit Plans	Accounting standards for pension plans are provided in Part IV of the Handbook.	None.
IAS 33, Earnings per Share	IAS 33 provides guidance on the determination and presentation of earnings per share.	None.
IAS 34, Interim Financial Reporting	IAS 34 addresses interim financial reporting, including the minimum content of an interim report. The standard does not prescribe which entities should publish interim reports, but applies if an entity is required or elects to publish an interim report in accordance with IFRSs.	None.

2 The assessment of significance of differences is a judgment made by CPA Canada staff in general terms. A difference may be significant to a particular transaction or entity depending on its materiality or nature.

IFRS	Summary and Other Comments	Standards Issued but Not Effective
IAS 37, Provisions, Contingent Liabilities and Contingent Assets	IAS 37 encompasses issues addressed by Section 3110 and Section 3290 but has a broader scope. The definition of a liability in Section 1000 is the only guidance in Part II that applies to other provisions in the scope of IAS 37. IAS 37 requires a best estimate of the obligation or, when there is a large population of items, an expected value method should be applied in measuring liability provisions. If the time value of money is material, then discounting should be applied.	None.
IAS 41, Agriculture	IAS 41 provides specific guidance in dealing with agriculture. For example, IAS 41 requires that biological assets, as defined (with the exception of bearer plants—see IAS 16) be measured at fair value less costs to sell at the point of harvest.	None.

Table of Concordance

The following table of concordance relates each International Financial Reporting Standard and Interpretation issued as of September 1, 2016 to corresponding material in Part II of the CPA Canada Handbook – Accounting.

(as of September 1, 2016)

	International Financial Reporting Standards	Handbook—Part II Sections	Accounting Guidelines
IFRS 1	First-time Adoption of International Financial Reporting Standards	1500	
IFRS 2	Share-based Payment	3870	
IFRS 3	Business Combinations	1582	
IFRS 4	Insurance Contracts	—	
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	3475	
IFRS 6	Exploration for and Evaluation of Mineral Resources	3061, 3063	16
IFRS 7	Financial Instruments: Disclosures	3856	14
IFRS 8	Operating Segments	—	
IFRS 9	Financial Instruments	3856	
IFRS 10	Consolidated Financial Statements	1601	18

	International Financial Reporting Standards	Handbook—Part II Sections	Accounting Guidelines
IFRS 11	Joint Arrangements	3056	
IFRS 12	Disclosure of Interests in Other Entities	1582, 1591, 1601, 3051, 3056	
IFRS 13	Fair Value Measurement	3856	
IFRS 14	Regulatory Deferral Accounts	—	19
IFRS 15	Revenue from Contracts with Customers	3400	2
IAS 1	Presentation of Financial Statements	1400, 1505, 1508, 1510, 1520, 1521, 3240, 3251, 3260, 3280	
IAS 2	Inventories	3031	
—	IAS 3 has been superseded by IAS 27 and IAS 28	—	
—	IAS 4 has been superseded by IAS 36 and IAS 38	—	
—	IAS 5 has been superseded by IAS 1	—	
—	IAS 6 has been superseded by IAS 15	—	
IAS 7	Statement of Cash Flows	1540	
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1100, 1506	
—	IAS 9 has been superseded by IAS 38	—	
IAS 10	Events after the Reporting Period	3820	
IAS 11	Construction Contracts (IAS 11 is superseded by IFRS 15)	3400	
IAS 12	Income Taxes	3465	
—	IAS 13 has been superseded by IAS 1	—	
	IAS 14 has been superseded by IFRS 8		
—	IAS 15 has been withdrawn	—	
IAS 16	Property, Plant and Equipment	3061, 3110, 3280, 3831	
IAS 17	Leases (IAS 17 is superseded by IFRS 16)	3065	

	International Financial Reporting Standards	Handbook—Part II Sections	Accounting Guidelines
IAS 18	Revenue (IAS 18 is superseded by IFRS 15)	3400	2
IAS 19	Employee Benefits	3462	
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	3800	
IAS 21	The Effects of Changes in Foreign Exchange Rates	1651	
—	IAS 22 has been superseded by IFRS 3	—	
IAS 23	Borrowing Costs	3061, 3850	
IAS 24	Related Party Disclosures	3840	
—	IAS 25 has been superseded by IAS 39 and IAS 40	—	
IAS 26	Accounting and Reporting by Retirement Benefit Plans	Section 4600 in Part IV	
IAS 27	Separate Financial Statements	1591	
IAS 28	Investments in Associates and Joint Ventures	3051, 3056	18
IAS 29	Financial Reporting in Hyperinflationary Economies	1651	
—	IAS 30 has been superseded by IFRS 7	—	
—	IAS 31 has been superseded by IAS 28 and IFRS 11	—	
IAS 32	Financial Instruments: Presentation	3856	
IAS 33	Earnings per Share	—	
IAS 34	Interim Financial Reporting	—	
—	IAS 35 has been superseded by IFRS 5	—	
IAS 36	Impairment of Assets	3063, 3064	
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	3110, 3290	14
IAS 38	Intangible Assets	3064	
IAS 39	Financial Instruments: Recognition and Measurement (IAS 39 is superseded by IFRS 9)	3856	18

	International Financial Reporting Standards	Handbook—Part II Sections	Accounting Guidelines
IAS 40	Investment Property	3061	
IAS 41	Agriculture	—	
	Interpretations of International Financial Reporting Standards	**Handbook—Part II Sections**	**Accounting Guidelines**
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities (IAS 1, IAS 8, IAS 16, IAS 23, IAS 36, IAS 37)	3110	
IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments (IAS 32, IAS 39)	3856	
—	IFRIC 3 has been withdrawn	—	
IFRIC 4	Determining whether an Arrangement contains a Lease (IAS 8, IAS 16, IAS 17, IAS 38) (IFRIC 4 is superseded by IFRS 16)	3065	
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds (IAS 8, IAS 27, IAS 28, IAS 31, IAS 37, IAS 39)	—	
IFRIC 6	Liabilities Arising from Participating in a Specific Market—Waste Electrical and Electronic Equipment	—	
IFRIC 7	Applying the Restatement Approach under IAS 29 *Financial Reporting in Hyperinflationary Economies*	—	
—	IFRIC 8 has been incorporated into amended IFRS 2 and withdrawn	—	
IFRIC 9	Reassessment of Embedded Derivatives (IAS 39)	3856	
IFRIC 10	Interim Financial Reporting and Impairment (IAS 39, IFRS 1)	—	
—	IFRIC 11 has been incorporated into amended IFRS 2 and withdrawn	—	
IFRIC 12	Service Concession Arrangements (IAS 18)	3400	
IFRIC 13	Customer Loyalty Programmes (IAS 8, IAS 18, IAS 37) IAS 18 is superseded by IFRS 15, *Revenue from Contracts with Customers*	3400	

	Interpretations of International Financial Reporting Standards	Handbook—Part II Sections	Accounting Guidelines
IFRIC 14	IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IAS 19)	3461	
IFRIC 15	Agreements for the Construction of Real Estate (superseded by IFRS 15, *Revenue from Contracts with Customers*)	3400	
IFRIC 16	Hedges of Net Investment in a Foreign Operation (IAS 8, IAS 21, IAS 39, IFRS 9)	1651, 3856	
IFRIC 17	Distributions of Non-cash Assets to Owners	3831	
IFRIC 18	Transfers of Assets from Customers (superseded by IFRS 15, *Revenue from Contracts with Customers*)	1000, 3831	
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	3856	
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	—	
IFRIC 21	Levies	—	
SIC 7	Introduction of the Euro (IAS 21)	—	
SIC 10	Government Assistance—No Specific Relation to Operating Activities (IAS 20)	3800	
SIC 15	Operating Leases—Incentives (IAS 17)	3065	
SIC 25	Income Taxes—Changes in the Tax Status of an Entity or Its Shareholders (IAS 12)	3465	
SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease (IAS 1, IAS 17, IAS 18)	3065, 3400	
SIC 29	Service Concession Arrangements: Disclosures (IAS 1)	—	
SIC 31	Revenue—Barter Transactions Involving Advertising Services (IAS 18) (superseded by IFRS 15, *Revenue from Contracts with Customers*)	3400, 3831	
SIC 32	Intangible Assets—Web Site Costs (IAS 38)	3064	

CHARTERED
PROFESSIONAL
ACCOUNTANTS
CANADA

277 WELLINGTON STREET WEST
TORONTO, ON CANADA M5V 3H2
T. 416 977.3222 F. 416 977.8585
WWW.CPACANADA.CA