Enforcement Priorities 2017
(Berlin, 3 November 2016)

1. Presentation of financial performance*

2. Financial instruments: distinction between equity instruments and financial liabilities*

3. Disclosures of the impact of the new standards on IFRS financial statements*

4. Interests in other entities
   - Assessment of judgement-based decisions in “atypical” cases (IFRS 10, IFRS 11, IAS 28) and completeness of the related note disclosures in accordance with IFRS 12 and IAS 24
     - Non-consolidation when holding a majority of the voting rights
     - Consolidation despite lack of majority of voting rights
     - Equity method not used despite existence of one or more indicators listed in IAS 28.6
     - Use of equity method when holding less than 20% of voting rights
   - Change in control of an investee
     - Determination of date consolidation begins and ceases (IFRS 10.20)
     - Revaluation of previously held equity interests when obtaining control and equity interests retained when control is lost (IFRS 3.42, IFRS 10.25 (b))
   - Assessment of quantitative and qualitative materiality of unconsolidated subsidiaries and presentation upon initial consolidation

5. Impairment test of property, plant and equipment
   - Performance of an impairment test upon identification of indicators that an item of property, plant and equipment is impaired (IAS 36.12-36.14) and determination of level at which test is performed (IAS 36.66)
   - Reasonableness of significant assumptions used to estimate recoverable amount when testing at the level of a cash-generating unit (CGU) (IAS 36.33 et seq.)
   - Including liabilities when estimating value in use and carrying amount of the CGU (IAS 36.76 (b) and 36.78, IFRS IC agenda decision May 2016)
   - When the calculated amount of an impairment loss on a significant CGU is not recognized in full (IAS 36.105):  
     - Evidence of the lower limit on the value of significant individual assets of the CGU, i.e. “fair value less costs of disposal”
     - Review of whether additional note disclosures are required regarding the approach followed in determining the measurement bases (IAS 1.117 et seq.) and regarding the underlying assumptions and other sources of estimation uncertainty when judgement has been applied (IAS 1.125 et seq.)