Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

The following amendments are a consequence of the amendments to the definition of material in MFRS 101 and MFRS 108. These amendments are applied prospectively at the same time an entity applies the amendments to the definition of material in MFRS 101 and MFRS 108.

Paragraph 75 is amended and paragraph 104 is added. New text is underlined and deleted text is struck through.

Restructuring

...  

75  A management or board decision to restructure taken before the end of the reporting period does not give rise to a constructive obligation at the end of the reporting period unless the entity has, before the end of the reporting period:

(a) started to implement the restructuring plan; or

(b) announced the main features of the restructuring plan to those affected by it in a sufficiently specific manner to raise a valid expectation in them that the entity will carry out the restructuring.

If an entity starts to implement a restructuring plan, or announces its main features to those affected, only after the reporting period, disclosure is required under MFRS 110 Events after the Reporting Period, if the restructuring is material and non-disclosure could reasonably be expected to influence the economic decisions that the primary users of general purpose financial statements make on the basis of the financial statements, which provide financial information about a specific reporting entity.

...  

Effective date

...
Addendum

104  *Definition of Material* (Amendments to MFRS 101 and MFRS 108) [Definition of Material (Amendments to IAS 1 and IAS 8) issued by IASB in October 2018] amended paragraph 75. An entity shall apply those amendments prospectively for annual periods beginning on or after 1 January 2020. Earlier application is permitted. If an entity applies those amendments for an earlier period, it shall disclose that fact. An entity shall apply those amendments when it applies the amendments to the definition of material in paragraph 7 of MFRS 101 and paragraphs 5 and 6 of MFRS 108.