IFRSs and NL GAAP
Highlighting the key differences

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Foreword

Welcome to the fifteenth edition of 'IFRSs and NL GAAP, Highlighting the key differences'. The objective of this publication is to provide a summary of key differences between the requirements of International Financial Reporting Standards (IFRSs) compared to NL GAAP. This publication does not attempt to capture all differences between IFRSs and NL GAAP that may exist or that may be material to a particular company's financial report.

While key differences still remain between IFRSs and NL GAAP, we noticed the number of differences has slightly decreased between IFRSs and NL GAAP. Largely due to the expansion of the guidance in Dutch Accounting Standard (DAS) 221 and DAS 270 regarding revenue recognition. The Dutch Accounting Standards Board (DASB) emphasizes that IFRS 15 is not leading in case DASs for revenue recognition lacks specific guidance. An important difference remains because DASs still use a risks and rewards approach to determine the moment of revenue recognition while IFRS uses a transfer of 'control' approach. DASB however still facilitates to use IFRS 15 in full for revenue recognition.

I would like to express my gratitude to Ymke Roosjen and Debby van der Veld for their efforts in revising and editing this publication.

We trust that you will find this yearly publication a useful tool to keep you informed about the main differences between IFRSs and NL GAAP.

Rotterdam, 6 December 2022,

Ralph ter Hoeven

Comparison of IFRSs and NL GAAP

The table on the following pages sets out some of the key differences between IFRSs and NL GAAP for annual periods beginning on or after 1 January 2022. The table also includes new and revised IASB Standards issued before 1 November 2022 that have not yet become effective for annual periods beginning on or after 1 January 2022. We refer to the end notes for the date on which new and revised Standards must be applied. The summary does not attempt to capture all differences that exist or that may be material to a particular entity's financial statements. Our focus is on differences that are commonly found in practice.

The significance of these differences – and others not included in this list – will vary with respect to individual entities, depending on such factors as the nature of the entity's operations, the industry in which it operates, and the accounting policy choices it has made. Reference to the underlying accounting standards and any relevant national regulations is essential in understanding the specific differences.

The rate of progress being achieved by the IASB to improve accounting standards means that a comparison between standards can only reflect the position at a particular point in time. You can keep up to date on later developments through our IAS Plus website (www.iasplus.com), which sets out the IASB agendas and timetables, as well as project summaries and updates.

Deloitte's http://www.iasplus.com is a comprehensive source of global accounting news and resources, featuring an extensive collection of information about IFRSs, the IASB, and broader international financial reporting developments.

Abbreviations used in this publication are as follows:

CF	Conceptual Framework (IASB)
DAS(s)	Dutch Accounting Standard(s)
DASB	Dutch Accounting Standards Board
EFRAG	European Financial Reporting Advisory Group
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
IASB	International Accounting Standards Board
IAS	International Accounting Standard(s) created by the predecessor body of the IASB and adopted by the IASB when it took over in 2001
IFRIC	Interpretation(s) developed by the IFRS Interpretations Committee
IFRS(s)	International Financial Reporting Standard(s)
NCC	Netherlands Civil Code
NL GAAP	Generally Accepted Accounting Principles in the Netherlands, comprising the Netherlands Civil Code (NCC) and the Dutch Accounting Standards (DASs) published by the DASB
SIC	Interpretation(s) developed by the IASB's predecessor body and its interpretative committee

IAS/IFRS	Topic	IFRSs	NL GAAP
	Legal status	Every standard has a similar status.	Within NL GAAP, the NCC contain stipulations that has the mandate of law. DASs do not have this status but are considered to be a source of authoritative guidance in which the general accepted principles, leading to the legally required true and fair view ('insight requirement'), are given.
	General approach	Less 'principles-based' standards with more application guidance. Departure is only possible under extremely rare circumstances.	More 'principles-based' standards with more options and less application guidance.
	Legal reserves	IFRS does not have specific rules for legal reserves. IFRS focuses on investors and less on the protection of creditors. IFRS only requires disclosing the restrictions on distribution of dividends and repayment of capital.	Dutch law requires several legal reserves such as: • Reserve for capitalized development costs, share issuing expenses or start-up costs; • Retained earnings of participations since the first valuation when their distribution to the entity is restricted; • Currency translation differences (both positive and negative); and • Revaluations when assets are measured above costs. These legal reserves are non-distributable reserves.
IFRS 1	First-time adoption	General principle is full retrospective application of IFRSs in force at the time of adoption, unless the exemptions in IFRS 1 permit or require otherwise.	No specific standard. Practice is generally full retrospective application unless the transitional stipulations in a specific standard require otherwise.
IFRS 2	Equity-settled share-based payments	For equity-settled share-based payment transactions the goods or services received are measured at fair value, unless that fair value cannot be estimated reliably.	DASs contain an alternative treatment allowing to measure equity-settled share-based payments with employees at their intrinsic value, initially at the grant date and subsequently at the end of each reporting period and at the date of final settlement, with any change in intrinsic value recognised in profit or loss.
IFRS 2	Share-based payments among group entities	An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.	DASs contain no specific guidance. IFRS treatment is allowed.
IFRS 3	Definition of a Business	Narrowed the definitions of a business and its outputs. Include(s) guidance/illustrative examples to assess whether a substantive process has been acquired.	Although DASs include clarifications relating to the scope of DAS 216 involving the acquisition of an integrated set of activities, assets and / or liabilities capable of generating income and how this should be accounted for if this is not the case, DASs have a less strict definition of a business.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 3	Concentration test	Optional concentration test that permits a simplified assessment whether an acquired set is ***not*** a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. A positive result of the test means the acquired set is not a business and should be accounted for as asset acquisition. A negative result means a further investigation is necessary whether the transaction meets the definition of a business.	DASs do not contain a concentration test.
IFRS 3	Accounting method	All business combinations (excluding common control transactions) shall be accounted for using the acquisition method. The pooling of interests method is prohibited.	The acquisition method is required for combinations classified as acquisitions and the pooling of interests method is required for combinations classified as uniting of interests.
IFRS 3	Common control transactions	No guidance on how the entity receiving a business under common control should account for the transaction.	The entity receiving a business under common control may use the acquisition method if the transaction has economic substance from the perspective of the reporting entity. In all other situations the entity shall apply the pooling of interests method or carry-over accounting method.
IFRS 3	Recognising a liability for a planned post-acquisition restructuring	The cost of restructuring the acquiree is recognised as a liability as part of the acquisition accounting only if it is a liability of the acquiree at the acquisition date.	An acquirer is required to recognise as part of the acquisition accounting a provision for terminating or reducing the activities of the acquiree that was not a liability of the acquiree at the acquisition date, provided the acquirer satisfies specified criteria.
IFRS 3	Recognising contingent liabilities of acquiree	An acquirer shall recognise separately the acquiree's contingent liabilities (as defined in IAS 37) at the acquisition date as part of allocating the cost of a business combination, provided their fair values can be measured reliably.	An acquirer shall not recognise separately the acquiree's contingent liabilities. Such contingent liabilities are subsumed within the amount recognised as goodwill or negative goodwill.
IFRS 3	Intangibles	An intangible asset is recognised separately from goodwill when it meets the definition of an intangible asset. The probability recognition criterion and the reliable measurement criterion are always considered to be satisfied for intangible assets acquired in a business combination.	An intangible asset is recognised separately from goodwill when it meets the definition of an intangible asset, its fair value can be measured reliably, and it is probable that any associated future economic benefits will flow to the acquirer. Unlike IFRSs, an intangible asset is not recognised if recognition results in or increases negative goodwill.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 3	Leases	Operating leases (Right-of-Use assets) are part of the identifiable assets and liabilities.	DASs are using the IAS 17 approach for operating leases and therefore remain off-balance unless the agreements have other than current market conditions.
IFRS 3	Deferred tax assets and liabilities	In determining its fair value, acquired tax assets and liabilities shall be measured against nominal value. That means discounting is not allowed.	As an alternative, DASs allow acquired tax assets and liabilities to be discounted.
IFRS 3	Goodwill	Goodwill shall be capitalised but shall subsequently not be amortised. Instead, it shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired.	Goodwill shall be capitalised and subsequently systematically amortised over its useful life. In exceptional cases where the useful life of goodwill cannot be estimated reliably, such assets shall be written off within a maximum period of 10 years. There is also a rebuttable presumption that the useful life of goodwill will not exceed twenty years from initial recognition. An entity shall, at least at each financial-year end, estimate the recoverable amount of goodwill that is amortised over a period exceeding twenty years from initial recognition, even if no indication exists that it is impaired.
IFRS 3	Excess of fair value of net assets acquired over the acquisition cost (negative goodwill)	A bargain purchase gain shall be recognised. However, before any bargain purchase gain is recognised in profit or loss, the acquirer is required to undertake a review to ensure the identification of assets and liabilities is complete, and that measurements appropriately reflect consideration of all available information.	Negative goodwill shall be recognised as a separate accrual under the liabilities. To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquirer's plan for the acquisition and can be measured reliably, but which do not represent identifiable liabilities at the date of acquisition, that portion of negative goodwill shall be recognised as income in profit or loss when the future losses and expenses are recognised. To the extent that negative goodwill does not relate to identifiable expected future losses and expenses that can be measured reliably at the date of acquisition, negative goodwill shall be recognised as income in profit or loss as follows: • the amount of negative goodwill not exceeding the fair values of acquired identifiable non-monetary assets shall be recognised as income on a systematic basis over the remaining weighted average useful life of the identifiable, acquired, depreciable/amortisable assets; and • the amount of negative goodwill in excess of the fair values of acquired, identifiable non-monetary assets shall be recognised as income immediately.
IFRS 3	Acquisition-related costs	Recognise immediately as an expense in profit or loss. The costs to issue debt or equity securities shall be recognised in accordance with IAS 32 and IFRS 9.	Recognise as part of the cost of acquisition. The costs to issue debt or equity securities shall be recognised in accordance with DAS 290 'Financial instruments'.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 3	Contingent consideration	Contingent consideration must be measured at fair value at the acquisition date as part of the consideration transferred. Subsequent changes in the fair value of contingent consideration that result from additional information about facts and circumstances that existed at the acquisition date that the acquirer obtains during the measurement period are measurement period adjustments. These adjustments affect the cost of the acquisition (and therefore goodwill). The measurement period cannot be longer than one year from the acquisition date.	Contingent consideration must be recognised as part of the cost of the acquisition if the contingent consideration is probable and can be measured reliably. If the amount of contingent consideration changes as a result of a post-acquisition event, the cost of the acquisition (and therefore goodwill) shall be adjusted accordingly. DASs contain no maximum period for these contingent consideration adjustments.
IFRS 3	Goodwill and non-controlling interests	An entity is permitted to measure non-controlling interests in the acquiree at either: • fair value; or • its proportionate share in the recognised net asset value of the acquiree. The fair value alternative is known as the 'full goodwill method'. An alternative may be elected for each business combination separately.	The 'full goodwill method' is not permitted.
IFRS 3	Step acquisition	A previously held equity interest in the acquiree shall be remeasured at its acquisition-date fair value. A resulting gain or loss shall be recognised in profit or loss. The unit of account for the remeasurement at fair value is the equity interest itself.	The recognised assets and liabilities corresponding with the previous held equity interest in the acquiree could (not shall) be remeasured. Any resulting remeasurement to previously recognised assets and liabilities shall be credited directly to equity (as a revaluation reserve). The unit of account for the remeasurement at fair value are the recognised assets and liabilities.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 3	Pre-existing relationships and reacquired rights	If an acquirer and an acquiree were parties to a pre-existing relationship, this must be accounted for separately from the business combination. In most cases, this will lead to the recognition of a gain or loss for the amount of the consideration transferred to the vendor, which effectively represents a 'settlement' of the pre-existing relationship. However, where the transaction effectively represents a reacquired right, an intangible asset is recognised and measured based on the remaining contractual term of the related contract excluding any renewals. The asset is subsequently amortised over this remaining contractual term.	DASs contain no specific guidance. IFRS treatment is allowed.
IFRS 3	Provisional accounting	A business combination including recognised goodwill can be adjusted until one year after the acquisition date. Any changes during this period will be accounted for retrospectively (so including, if necessary, adjustments of comparative figures).	A business combination including recognised goodwill can be adjusted until the end of the fiscal year after the year in which the business combination has taken place. Any changes and the effects thereof are to be recognised in the year of the change.
IFRS 4	Rights and obligations under insurance contracts	IFRS 4 only briefly addresses recognition and measurement of insurance contracts. It is an interim standard until the effective date of IFRS 17, being 1 January 2023, after which IFRS 4 will be superseded.	DASB has published DAS 605 for insurance companies. Many differences exist between this accounting standard and IFRS 4 and IFRS 17.
IFRS 5	Non-current assets (or disposal groups) held for sale	Specific requirements to account for non-current assets (or disposal groups) held for sale. Separate disclosure of results of discontinued operations in the income statement is mandatory.	No requirements for non-current assets (or disposal groups) held for sale. Under DASs the legal model 'Decree on financial statements format' ***(Besluit Modellen Jaarrekening)*** is used to classify all assets and liabilities.
IFRS 5	Depreciation	Non-current assets should not be depreciated or amortized the moment it is classified as "held for sale/distribution"	Non-current assets will be depreciated or amortized until the moment of disposal as long the asset still is in use.
IFRS 6	Exploration for and evaluation of mineral resources	Specific extractive industry guidance for the recognition, measurement and disclosure of expenditure incurred on the exploration for and evaluation of mineral resources.	DASs contain no specific guidance. IFRS treatment is allowed.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 7	Disclosures relating to financial instruments	Qualitative and quantitative information required about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk.	Disclosure requirements are similar to the previous requirements in IAS 32 (2004).
IFRS 7	IBOR Reform	The IASB addressed the IBOR reform issues in a project split into two phases: Phase 1 dealt with pre-replacement issues (issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark). Phase 2 deals with replacement issues, therefore, the amendments address issues that might affect financial reporting when an existing interest rate benchmark is actually replaced.	DASs are more principles-based regarding financial instruments and hedge-accounting and the DASB has therefore not amended DASs resulting from the IBOR reform
IFRS 8	Segment reporting	Disclosure of segment information is required by those entities whose equity or debt instruments are traded in a public market.	Netherlands Civil Code requires that large legal entities disclose information on net turnover by industry and/or by geographical area. If an entity chooses to disclose additional segment information, the entity is recommended to apply the guidance of DAS 350 regarding segment information.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 9	Measurement of debt instruments	A debt instrument that (1) is held within a business model whose objective is to collect the contractual cash flows and (2) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortised cost unless it is designated at FVTPL. A debt instrument that (1) is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (2) has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at FVTOCI unless it is designated at FVTPL. The option to designate at FVTPL is available as an alternative provided that designating at FVTPL eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch'). All other debt instruments must be measured at FVTPL.	Debt instruments that classify as part of the trading portfolio shall be measured at FVTPL. Purchased loans and bonds held until the end of the term are measured at amortised cost. Other purchased loans and bonds are measured at amortised cost or at fair value. For purchased loans and bonds measured at fair value an entity can opt to recognise changes in fair value directly in profit or loss (FVTPL) or, to the extent the aggregate of the revaluation is positive, to recognise it in the shareholders' equity until it is realised. Loans granted and other receivables are measured at amortised cost.
IFRS 9	Measurement of equity instruments	All equity instruments (e.g. shares) are to be measured at fair value with the default recognition of gains and losses in profit or loss. Only if an equity instrument is neither held for trading nor contingent consideration recognised by an acquirer to which IFRS 3 applies, an irrevocable election can be made at initial recognition to measure it at FVTOCI. If an entity makes this election only dividend income is recognised in profit or loss. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss.	Equity instruments that classify as part of the trading portfolio shall be measured at FVTPL. Investments in listed equity instruments shall be measured at fair value. An entity can opt to recognise changes in fair value directly in profit or loss (FVTPL) or, to the extent the aggregate of the revaluation is positive, to recognise it in shareholders' equity until derecognition of the equity instrument upon which the revaluation should be transferred to profit or loss. Investments in non-listed equity instruments are measured at cost or at fair value. For investments in non-listed equity instruments measured at fair value an entity can opt to recognise changes in fair value directly in profit or loss (FVTPL) or, to the extent the aggregate of the revaluation is positive, to recognise it in the shareholders' equity until derecognition of the equity instrument upon which the revaluation should be transferred to profit or loss.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 9	Measurement of derivatives	All derivatives within the scope of IFRS 9 are required to be measured at FVTPL (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)	Derivatives with a listed underlying value shall be measured at FVTPL. Derivatives with a non-listed underlying value are measured at cost or FVTPL. If derivatives are measured at cost an impairment loss shall be recognised when the fair value is lower than the cost unless cost price hedge accounting is.
IFRS 9	Measurement of financial liabilities	For a financial liability designated as at FVTPL using the fair value option, the change in the liability's fair value attributable to changes in the liability's credit risk is recognised directly in other comprehensive income, unless it creates or increases an accounting mismatch. The amount that is recognised in other comprehensive income is not recycled when the liability is settled or extinguished. The option to designate a financial liability at FVTPL is available provided that designating at FVTPL eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') or the condition of IFRS 9.4.2.2 under b applies.	A financial liability cannot be designated as at FVTPL.
IFRS 9	Effective interest method	Application of the effective interest method is required.	Linear amortisation is allowed if that does not lead to significant differences with the application of the effective interest method.
IFRS 9	Impairment of financial instruments	Expected loss impairment model. Under this model, expected credit losses are accounted for from the date when financial instruments are initially recognised. Entities are required to recognise 12-month expected credit losses, or, where credit risk has increased significantly since initial recognition, lifetime expected credit losses.	Incurred loss impairment model. Under this model, evidence of a loss (a trigger event) is necessary before an impairment loss is recognised. DASs facilitate the option to recognise impairment losses of financial instruments in accordance with IFRS 9. Under this option an entity shall include the relevant disclosures required by IFRS 7.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 9	Types of hedge accounting	IFRS 9 identifies three types of hedge accounting treatments: • fair value hedge accounting; • cash flow hedge accounting; and • hedging a net investment in a foreign entity.	The types of hedge accounting under IFRS 9 are applicable. However, DASs also identify cost price hedge accounting. In the event of cost price hedge accounting recognition occurs as follows: • as long as the hedged item is not yet recognised in the balance sheet, the hedge instrument is not revalued; • if the hedged item is recognised in the balance sheet and comprises a foreign currency monetary item, the derivative insofar it has foreign currency components, is measured using the rate as at balance sheet date; • when the results of the hedged position are recognised in profit or loss, the related result on the hedge instrument is also recognised in profit or loss.
IFRS 9	Hedging instruments	Derivatives and non-derivatives measured at FVTPL are eligible hedging instruments for hedge accounting.	Hedging instruments are limited to derivatives, with a single exception that non-derivative financial instruments can be used to hedge foreign currency risk.
IFRS 9	Derecognition of financial assets	Derecognition of a financial asset is not permitted to the extent to which the transferor has retained (1) substantially all risks and rewards of the transferred asset or part of the asset, or (2) control of an asset or part of an asset for which it has neither retained nor transferred substantially all risks and rewards.	The criteria for derecognition focus on a significant change in the economic reality (based on risks and rewards that are in fact expected to occur). Control is not a specific factor to be considered. Consequently, the derecognition stipulations under DASs are very principles-based and as such provide more room for interpretation than under IFRSs. However, we believe that under DASs it's allowed to use the IFRS 9 derecognition stipulations as further guidance for complex derecognition issues.
IFRS 10	Consolidated financial statements	A parent shall consolidate investees over which it has control (subsidiaries). The definition of control includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor's returns.	A parent shall consolidate subsidiaries in the group, other group companies and other legal entities over which it can exercise control or over which it has central management. Although different words are used to describe which entities should be consolidated, the NCC and DASs has been amended with the aim to remove differences between NL GAAP and IFRS regarding the group of entities that should be consolidated by the parent company. The current ability to exercise dominant influence (power) over an entity is a pivotal criterion in both GAAPs.
IFRS 10	Subsidiary acquired with the intention to dispose of in the near future	Consolidation is required. If on acquisition the subsidiary meets the criteria of IFRS 5, it shall be accounted for in accordance with that standard.	Consolidation is not required.
IFRS 10	Consolidation exemption for small-sized groups	No exemption.	Consolidation is not required for small-sized groups.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 10	Consolidation exemption for intermediate holdings	Non-listed intermediate holdings need not present consolidated financial statements if, among other requirements, the ultimate or any intermediate parent of the intermediate holding produces consolidated financial statements for public use that comply with IFRSs.	Non-listed intermediate holdings need not present consolidated financial statements if, among other requirements, the ultimate or any intermediate parent of the intermediate holding produces consolidated financial statements for public use that comply with the stipulations of the Directive of the EU on financial statements (2013/34/EU) or in an equivalent manner (IFRSs and other high-quality GAAPs included).
IFRS 10	Definition of an investment entity	The determination whether an entity qualifies as an investment entity is specific and detailed in terms of guidance.	An investment entity is defined in more generic terms.
IFRS 10	Investment entity	An investment entity shall not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity. Instead, an investment entity shall measure an investment in a subsidiary at FVTPL. If an investment entity has a subsidiary that provides services that relate to the investment entity's investment activities, it shall consolidate that subsidiary.	An investment entity is allowed not to consolidate its subsidiaries if for these subsidiaries a concrete exit strategy is formulated from the date of acquisition.
IFRS 10	Partial disposal of an investment in a subsidiary that results in loss of control	The investment retained shall be measured at fair value at the date when control is lost. Any difference between fair value and carrying amount is part of the gain or loss on the 'loss of control' transaction.	Although not treated specifically a gain or loss is only allowed for the part of the investment that is sold.
IFRS 10	Partial disposal of an investment in a subsidiary while control is retained.	This is accounted for as an equity transaction with owners (a transaction between the shareholders of the parent entity and the shareholders of the non-controlling interests). Hence, no gain or loss is recognised.	DASs contain no specific guidance. IFRS treatment is allowed.
IFRS 10	Acquiring additional shares in the subsidiary after control was obtained	This is accounted for as an equity transaction with owners. Hence, acquisition accounting is not allowed for these acquisitions.	DASs contain no specific guidance. IFRS treatment is allowed.
IFRS 10	Non-controlling interests (minority interests)	Losses in a subsidiary shall be allocated to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.	Losses in a subsidiary may create a debit balance on minority interests only if the minority has an obligation to fund losses.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 11	Joint arrangements	Joint arrangements are classified as either joint operations (combining the NL GAAP concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the NL GAAP concept of a jointly controlled entity).	Joint arrangements are classified as jointly controlled entities, jointly controlled operations or jointly controlled assets.
IFRS 11	Accounting for joint arrangements	A joint venturer shall recognise its interest in a joint venture as an investment which it shall account for using the equity method. A joint operator shall recognise its assets, liabilities, revenues and expenses in relation to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.	Investments in jointly controlled entities are measured at net asset value or accounted for using the proportionate consolidation method. In respect of its interest in jointly controlled operations, a venturer shall recognise the assets that it controls, the liabilities that it incurs, the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint operation. In respect of its interest in jointly controlled assets, a venturer shall recognise its share of the assets, liabilities, costs and revenue (proportionate consolidation). In the company-only financial statements an entity may measure investments in jointly controlled entities at cost, if the entity applies the consolidation exemption for intermediate holdings or the international structure of the group is considered a valid reason for not using the equity method.
IFRS 11	Loss of joint control	If an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.	DASs contain no specific guidance. IFRS treatment is allowed.
IFRS 12	Disclosure of interests in other entities	Requires disclosures about interest in subsidiaries, joint arrangements, associates and unconsolidated structured entities.	The disclosure requirements under DASs are less comprehensive.
IFRS 13	Fair value measurement	Defines fair value and requires disclosures about fair value measurements.	Definition of fair value is based on guidance within IFRSs before the introduction of IFRS 13. Under DASs the disclosure requirements on fair value measurements are less comprehensive.
IFRS 14[1]	Rate regulated activities	IFRS 14 allows rate-regulated entities to continue recognizing regulatory deferral accounts in connection with their first-time adoption of IFRS. Existing IFRS preparers are prohibited from adopting this standard.	DASs contain no such guidance.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 15	Revenue from contracts with customers	IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The core principle is that an entity recognises revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.	Entities are allowed to apply IFRS 15 instead of DASs, provided that this standard is applied in full and consistently. The application of IFRS 15 should be disclosed.
IFRS 15	Revenue recognition		Based on IFRS 15, the DASB has expanded the guidance in DAS 221 and DAS 270 regarding revenue recognition2. Despite the extension of guidance, IFRS 15 contains still more specific guidance in certain areas. The DASB emphasizes that IFRS 15 is not leading in case DAS 221/270 lacks specific guidance. In other words, it is not mandatory to fall back on IFRS 15 in case DASs contain no specific guidance.
IFRS 15	Revenue recognition	Based on the transfer of control.	Based primarily on the transfer of risks and rewards.
IFRS 15	Performance obligations	IFRS 15 requires the revenue from a contract to be allocated to each distinct good or service provided on a relative standalone selling price basis, though a 'residual' approach is permitted in limited circumstances. This may significantly change the profile of revenue recognition for some entities where, for example, they offer a 'free' maintenance period to customers as part of a transaction.	Guidance to identify performance obligations within the contract in line with IFRS 15. However guidance is less detailed and could still to differences in the practical application.
IFRS 15	Principal versus agent	An entity is a principal if the entity controls a promised good or service before the entity transfers the good or service to a customer. IFRS 15 contains a list of factors that indicate whether an entity is an agent or principal, which are similar to those in DAS 270, however, these indicators focus on the context of the control of the underlying goods and/or services.	Analysis under NL GAAP is primarily focused on risks and rewards including credit risk. The guidance contains a list of factors similar to IFRS 15 that indicate whether an entity is an agent or principal, however under DASs these indicators focus on the context of risks and rewards, rather than on the control of the underlying goods and services. Under DASs the list includes additionally the factor of credit risk.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 15	Repurchase agreements	The accounting for repurchase agreements is based on the transfer of control. If an entity has an obligation or a right to repurchase the asset (a forward or a call option), a customer is limited in its ability to direct the use of and obtain substantially all remaining benefits from the asset. Consequently, the entity has not transferred control and shall not recognise revenue from sale of the asset.	The accounting for repurchase agreements is based on an assessment of the transfer of risks and rewards.
IFRS 15	Criteria for over time revenue	Revenues shall be recognised over time when one of the following criteria is met: • the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs; • the entity's performance creates or enhances an asset that the customer controls as the asset is created; or • the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.	No specific criterion in DAS 221. Scope of DAS 221 is limited to contracts with customers for the construction of assets (or a combination of assets) that typically takes more than one reporting period to complete. If in scope of DAS 221, revenue shall be recognised by reference to the stage of completion if the outcome of the transaction can be estimated reliably.
IFRS 15	Licenses	An entity shall recognise revenue for a sales-based or usage-based royalty only when (or as) the later of the following events occurs: A. the subsequent sale or usage occurs; and B. the performance obligation has been satisfied	In DAS 270 the same events as in IFRS are given but without the 'later of' condition. Hence, revenue should be recognised upon subsequent sale/usage or upon satisfaction of the performance obligation. This could mean that under DASs revenue is recognised earlier.
IFRS 15	Contract costs	Expenditures associated with contract costs that lead to work performed after the reporting date, shall be recognised as assets if it is probable that they will lead to revenue in a subsequent period.	If the costs incurred in fulfilling a contract with a customer shall not be recognised based on another standard, an entity shall recognise an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria: • the costs relate directly to the contract or to an anticipated contract that the entity can specifically identify; • the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future; and • the costs are expected to be recovered.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRS 15	Cost of obtaining a contract	An entity shall recognise as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs.	Costs that relate directly to the project and are incurred in acquiring the contract are part of the contract costs if it is probable that the contract will be acquired, these costs can be identified separately and reliably measured. If costs for the acquisition of a contract are recognised in the income statement in the period in which they arise, they must not be included in the contract costs if the contract is acquired in a subsequent period.
IFRS 15	Pre-completion sales contracts	An agreement for the construction of real estate is a construction contract within the scope of IFRS 15. An entity shall assess, at contract inception, whether control is transferred at a moment in time or over a period of time.	Pre-completion sales contracts entered by an entity carrying out a real estate development project are accounted for as construction contracts. Where the outcome of the project can be reliably estimated, revenue and expenses must be recognised by applying the percentage of completion method to that proportion of the project represented by the individual units of property sold.
IFRS 16[3]	Leases	IFRS 16 specifies how an entity will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	Lease accounting under DASs is similar to lease accounting under IAS 17. Entities are allowed to apply IFRS 16 instead of DASs, provided that this standard is applied in full and consistently. The application of IFRS 16 should be disclosed.
IFRS 16	Initial direct costs of lessors relating to finance leases (other than those involving manufacturer or dealer leases)	Included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.	Allowed, not required. An entity has an alternative to recognise initial direct costs directly in profit or loss.
IFRS 16	Initial direct costs of lessors relating to operating leases	Added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.	Allowed, not required. An entity has an alternative to recognise initial direct costs directly in profit or loss.
IFRS 17[4]	Insurance contracts	IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts.	Under DASs there are specific stipulations relating to the accounting by insurance companies which differ significantly from the requirements under IFRSs. IFRS 17 has not led to changes in DAS 605.

IAS/IFRS	Topic	IFRSs	NL GAAP
IAS 1	Materiality	More prominence and providing more existing guidance on the definition.	Materiality is more conceptual based. Materiality is a sub-characteristic of the principle relevance.
IAS 1	Financial statements presentation[5]	Specific line items required.	Prescriptive formats of the balance sheet and profit or loss statement are applicable as per the Decree on financial statements format.
IAS 1	Other comprehensive income	Requirement to present other comprehensive income as part of total comprehensive income. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by IFRSs.	Large entities shall present a statement of comprehensive income in the consolidated financial statements including items which are recognised directly into equity. Other entities do not have to present a statement of comprehensive income. Changes in revaluation surplus relating to property, plant and equipment, gains and losses arising from translating the financial statements of a foreign operation and other items recognised directly into equity are presented as part of the equity movement disclosure.
IAS 1	Third statement in statement of financial position	A statement at the beginning of the preceding period is required when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements. Related notes to this third balance sheet are not required.	DASs contain no specific guidance. IFRS treatment is allowed.
IAS 1	Departure from a standard when compliance would be misleading	Permitted in 'extremely rare' circumstances to achieve a fair presentation. Specific disclosures are required.	Departure from Netherlands Civil Code is required to the extent necessary to provide a true and fair view. The reasons for departure shall be disclosed. Departure from DASs may only occur with good reasons. There is no requirement to disclose a departure from DASs.
IAS 1	Classification of liabilities on refinancing	When a long-term debt is expected to be refinanced under an existing loan facility, and the entity has the discretion to do so, the debt is classified as non-current, even if the liability would otherwise be due within 12 months. If the entity does not have the discretion to do so, the liability which is due within 12 months shall be presented as current if refinancing is not completed on or before the balance sheet date.	Guidance under DASs is similar to the requirements under IFRSs. However, under DASs, an entity may present the liability as non-current if refinancing is completed before the date of issuance of the financial statements.
IAS 1	Classification of liabilities due on demand due to violation of debt covenant	Current if the lender has not granted a 12-month waiver on or before the balance sheet date.[6]	Allowed to present as non-current if the lender has granted a waiver for a period greater than one year before the issuance of the financial statements or when the violation is corrected before the issuance of the financial statements.

IAS/IFRS	Topic	IFRSs	NL GAAP
IAS 1	Preparing financial statements not on a going concern basis	If financial statements are prepared on a basis other than that of a going concern, an entity shall prepare the financial statements on a basis that is consistent with IFRSs but amended to reflect the fact that the 'going concern' assumption is not appropriate. Among other things, such a basis requires writing assets down to their recoverable amounts. It also requires recognising a liability for contractual commitments that may have become onerous as a consequence of the decision to cease trading. However, it would not be appropriate to recognise provisions for future losses or liabilities for which there was no present legal or constructive obligation at the end of the reporting period.	If discontinuity is unavoidable, the financial statements should be prepared on a liquidation basis. Unavoidable discontinuity does not occur in situations where a legal entity is expected to meet all its liabilities. The liquidation basis of accounting implies that the shareholders' equity should equal the expected surplus or deficit after liquidation. It requires to recognise all assets in the balance sheet - irrespective of whether they were already included in the balance sheet – and to measure them at the realisable value, to recognise all liabilities and measure them at - the best estimate of – the amounts required to settle the respective liabilities and to recognise prepayments and accruals for the expected - future - costs and revenues up to the expected liquidation date.
IAS 2	Method for determining cost	LIFO is prohibited.	LIFO is permitted, but not recommended.
IAS 7	Statement of cash flows	All entities are required to present a statement of cash flows.	Only large and medium-sized legal entities are required to present a statement of cash flows.
IAS 7	Classification of expenditures on unrecognised assets	Only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities.	DASs contain no specific requirement.
IAS 8[7]	Impact changes in accounting policies on future periods	IFRS does not require quantitative disclosures on impact on future periods resulting from a change in accounting policies.	DASs require that for retrospective changes in accounting policies that have a significant impact on future periods, the impact must be quantitatively disclosed or explained if impracticable.
IAS 10	Declared dividends after the balance sheet date	Declared dividends through holders of equity instruments after the balance sheet date shall not be recognised as a liability at the balance sheet date.	The balance sheet shall be drawn up before or after the appropriation of profit. If the latter option is used, a difference with IFRSs could arise, because an entity may present the proposed dividend as a liability at the balance sheet date.
IAS 12	Revaluation of property, plant and equipment	Items of property, plant and equipment can be revalued. The difference between the carrying amount of a revalued asset and its tax base is a temporary difference and gives rise to a deferred tax liability.	The recognition of a deferred tax liability is not required but recommended. However, if no deferred tax liability is recognised, this shall be disclosed including the quantitative effects.

IAS/IFRS	Topic	IFRSs	NL GAAP
IAS 12[8]	Recognition of deferred tax assets	Recognition of a deferred tax asset if it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is also recognised if the probability of realisation is only connected to the existence of a deferred tax liability relating to revalued assets.	A deferred tax asset is not recognised if the probability of realisation is only connected to the existence of a deferred tax liability relating to revalued assets.
IAS 12	Measurement of deferred tax assets and liabilities	Not to be discounted.	Measured at nominal value (undiscounted) or at present value (discounted).
IAS 12	Deferred tax: recovery of underlying assets	For the purposes of measuring deferred tax, a rebuttable presumption exists that the carrying amount of an investment property measured using the fair value model in IAS 40 will be recovered entirely through sale.	DASs contain no rebuttable presumption.
IAS 16	Revaluation model	Subsequent measurement under IFRS is based on the fair value as determined by IFRS 13.	Subsequent measurement is based on the current value or current replacement costs.
IAS 16	Compensation of impairment losses	Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up shall be included in profit or loss when the compensation becomes receivable	Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up shall be included in profit or loss when the compensation is probable.
	Proceeds before intended use	As long as the asset is not in place and in the condition necessary for its intended use, the proceeds from the sale and related costs of produced materials are recognized in profit and loss.	DASs prescribes to recognize the proceeds from the sale and related costs as a deduction from the cost of the asset. As an acceptable alternative, the proceeds can be recognized in profit and loss.
IAS 16	Costs of decommissioning, restoration and similar liabilities caused by construction of the item of property, plant and equipment	The initial estimate of the costs is included in the initial measurement of the item of property, plant and equipment.	Allowed to recognise a provision for costs of decommissioning, restoration and similar liabilities over the useful life of an item of property, plant and equipment. The increase of the provision shall be recognised systematically in profit or loss. The increase of the provision shall reflect the pattern in which the related asset's future economic benefits are expected to be consumed by the entity.
IAS 16	Replacement of parts of the asset at regular intervals and regular major inspections	Generally accounted for as part of the cost of an asset.	Allowed to recognise a provision for costs of replacement or regular major inspections.

<table>
<tr><th>IAS/IFRS</th><th>Topic</th><th>IFRSs</th><th>NL GAAP</th></tr>
<tr><td>IAS 16</td><td>Selling of Items held for rental</td><td>Entities that routinely sell items of PP&E that they have previously held for rental to others shall transfer such assets to inventories at their carrying amount when they cease to be rented. The proceeds from the sale of such assets shall be recognised as revenue in accordance with IFRS 15.</td><td>DASs contain no specific guidance.

IFRS treatment is allowed.</td></tr>
<tr><td>IAS 19</td><td>Post-employment benefit plans</td><td>Post-employment benefit plans are classified as either defined contribution plans or defined benefit plans.

For defined contribution plans, the cost to be recognised in the period is the contribution payable in exchange for service rendered by employees during the period.

For defined benefit plans, the amount recognised in the balance sheet shall be based on the present value of the defined benefit obligation (in accordance with the projected unit credit method) minus the fair value of plan assets at the balance sheet date.</td><td>DASs make a distinction between Dutch (equivalent) post-employment plans and foreign post-employment plans.

Dutch plans

The entity recognises the contribution to be paid to the pension provider (an independent body in the Netherlands) as an expense.

The entity must assess based on the administration agreement whether and, if so, which liabilities exist at the balance sheet date in addition to the annual contributions payable to the pension provider.

In addition to the liabilities owed to the pension provider, there may also be liabilities that are owed to employees. These latter may arise, among other things, from fully or partially unfunded pension commitments.

Foreign (non-Dutch equivalent) plans

DASs require a best estimate for the benefit obligations of these plans according to a generally accepted actuarial method. The liability is considered to be owed to the employee, which approach is similar to IAS 19. However, DASs contain no specific measurement guidance.</td></tr>
<tr><td>IAS 19</td><td>Presentation of defined benefit cost</td><td>The defined benefit cost comprises:
• service cost recognised in profit or loss;
• net interest on the net defined benefit liability (asset) recognised in profit or loss; and
• remeasurements recognised in OCI.</td><td>DASs prescribe that pension expenses shall be part of the operational result within profit or loss.</td></tr>
<tr><td>IAS 19</td><td>Pension accounting: partial adoption of IFRS or US GAAP</td><td>Not allowed to use other standards than those included in IFRSs.</td><td>Entities may opt to apply US GAAP or IFRSs relating to pensions and other ‘post retirement benefits’ in their financial statements, provided that these standards are applied in full and consistently. This application of US GAAP or IFRSs should be disclosed.</td></tr>
</table>

IAS/IFRS	Topic	IFRSs	NL GAAP
IAS 19	Distinction between short-term and long-term employee benefits	IAS 19 ' Employee Benefits ' makes a distinction between short-term employee benefits, post-employment benefits, other long-term employee benefits and termination benefits. Short-term benefits are benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. In case of paid absences not meeting the short-term benefit definition, such employee benefits classify as other long-term employee benefits. In that case, the accounting occurs in a similar manner as the accounting for post-employment benefits, except that all actuarial gains and losses and past service costs are recognised immediately in profit or loss. A liability shall be recognised for the present value of the obligation.	DASs distinguish between employee benefits during employment, pensions, early retirement and other post-employment benefits and termination benefits. There is no definition of short-term employee benefits given in DASs. As a result, there is no clear requirement when and for which components (in terms of unit of account) accounting should take place in a similar manner as post-employment benefits (including discounting).
IAS 19	Long-term disability benefits (non-accumulating)	Expected costs shall be recognised as a liability when an event occurs that causes long-term disability.	A liability shall only be recognised if certain conditions are met. One of these conditions is that the recovery of the employee is not expected during the remaining service period (a seemingly strict condition). This condition does not exist in IFRSs. As a result, we expect that application of DASs will lead to fewer situations in which a provision for disability benefits should be recognised.
IAS 20	Non-monetary government grants	Recognised at fair value or at a nominal amount.	DASs contain no specific requirements. Based on general DASs requirements, measurement at fair value better reflects economic reality.
IAS 21	Goodwill arising as a result of the acquisition of a foreign entity and any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition	Shall be treated as assets and liabilities of the foreign operation. Hence, they shall be expressed in the functional currency of the foreign operation and shall be translated to the presentation currency at the closing rate.	Any goodwill arising as a result of the acquisition of a foreign entity and any fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition shall be treated as either: assets and liabilities of the foreign operation (like IFRSs); or assets and liabilities of the acquirer.

IAS/IFRS	Topic	IFRSs	NL GAAP
IAS 21	Presentation exchange differences in separate financial statements	When a monetary item forms part of reporting entity's net investment in a foreign operation, an exchange difference should be recognised in profit or loss. Also, other exchange differences related to a net investment in a foreign operation should be recognised in profit or loss.	DASs requires that exchange differences related to reporting entity's net investment in a foreign operation are presented similarly to its presentation in the consolidated financial statements. This means that these differences (like in the consolidated financial statements) are presented directly in equity (part of translation reserve).
IAS 23	Borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale	Capitalisation is mandatory.	Capitalisation is an available accounting policy choice. It is also allowed to expense borrowing costs in profit or loss.
IAS 24	Related party disclosures	Disclosure of transactions with related parties is required.	Significant transactions that have been entered into by the entity with related parties under irregular market ('not at arm's length') conditions must be disclosed. This disclosure requirement does not apply to medium-sized legal entities (unless the entity is a public limited company) and small-sized legal entities.
IAS 24	Government-related entities	Simplified disclosure requirements for transactions with government-related entities.	DASs contain no specific disclosure requirements for transactions with government-related entities.
IAS 26	Reporting by retirement benefit plans	Specific guidance for the accounting and reporting by retirement benefit plans.	In general, the guidance in DAS 610 regarding pension funds is comparable.
IAS 27	Pre-acquisition dividend	Recognized as income and if applicable a write-down for impairment should be recognized	Deducted from acquisition price
IAS 27	Measurement of investments in subsidiaries, associates and joint ventures in the separate financial statements	In an entity's separate financial statements investments in subsidiaries, associates and joint ventures (other than those that are classified as held for sale under IFRS 5) are accounted for at cost, at fair value in accordance with IFRS 9 or by using the equity method.	In an entity's company-only financial statements investments in subsidiaries, associates and joint ventures are accounted for at the net asset value (goodwill is presented separately). An entity may measure investments in subsidiaries, associates and joint ventures at cost in the company-only financial statements if the entity applies the consolidation exemption for intermediate holdings or the international structure of the group is considered a valid reason for not using the equity method.

IAS/IFRS	Topic	IFRSs	NL GAAP
IAS 28	Definition of associate	An entity in which the investor has significant influence, and which is neither a subsidiary nor a joint venture.	An entity holds an associate if the entity, or one of its subsidiaries, has provided capital for its own account for furthering its own business activities by establishing a long-term relationship. A distinction is made between associates ('deelnemingen') in which significant influence is exercised and other associates. This distinction is made for measurement purposes.
IAS 28	Measurement of investments in associates in the consolidated or individual financial statements	Investments in associates shall be accounted for by using the equity method in consolidated financial statements and individual financial statements. However, the investor does not apply the equity method when presenting separate financial statements prepared in accordance with IAS 27. In the separate financial statements, investments in associates, joint ventures and subsidiaries that are not classified as held for sale in accordance with IFRS 5 shall be accounted for at cost, at fair value in accordance with IFRS 9 or by using the equity method.	Investments in associates in which significant influence is exercised shall be measured at the net asset value (goodwill is presented separately) in consolidated financial statements and company-only financial statements. In the company-only financial statements investments in subsidiaries and joint ventures shall be measured at the net asset value (goodwill is presented separately). An investor may deviate from the net asset value when insufficient data is available. The investment in an associate shall then be valued at the so-called visible equity value of the associate. A deviation from the net asset value is also allowed if there are grounded reasons for this departure. The reasons shall be disclosed in the financial statements. In the company-only financial statements an entity may measure investments in associates at cost, if the entity applies the consolidation exemption for intermediate holdings or the international structure of the group is considered a valid reason for not using the equity method.
IAS 28	Measurement of investments in non-associates	Investments in non-associates (no significant influence) shall be accounted for as financial instruments in accordance with IFRS 9.	Investments in non-associates shall be accounted for as financial instruments in accordance with DAS 290. Investments in associates ('deelnemingen') in which no significant influence is exercised shall be measured by using the cost method or by using fair value (with value differences recorded in a revaluation reserve).
IAS 28	Investment in an associate that is classified as held for sale in accordance with IFRS 5	Shall not be accounted for using the equity method but is measured at the lower of its carrying amount and fair value less cost to sell.	No accounting concept for assets held for sale. Therefore, the general rules on measurement continue to apply.
IAS 28	Associates held by venture capital organizations, investment funds, unit trusts and similar entities	No requirement to apply equity method provided that upon initial recognition such investments are designated upon initial recognition as at FVTPL.	There is no exemption for venture capital organisations and similar entities. However, under DASs an interest in another entity will not classify as an associate if the definition of an associate ('deelneming') is not met ('providing capital for its own account for furthering its own business activities by establishing a long-term relationship'). Non-associates shall be accounted for as financial instruments in accordance with DAS 290.

IAS/IFRS	Topic	IFRSs	NL GAAP
IAS 28	Goodwill relating to associates and joint ventures measured in accordance with equity method	The initial measurement of an investment in an associate is based on the cost of acquisition. The concepts underlying the procedures used in accounting for the acquisition of a subsidiary are also adopted in accounting for the acquisition of an investment in an associate or joint venture. Goodwill is included in the carrying amount of the investment. However, amortisation is not permitted. Instead, the entire carrying amount of the investment is tested for impairment under IAS 36 'Impairment of Assets', whenever application of the requirements in IFRS 9 indicates that the investment may be impaired.	The recognition is based on the investor's share of the fair value of the net identifiable assets of the associate. Any goodwill shall be recognised and presented separately as an intangible asset. Goodwill is accounted for in accordance with the accounting for goodwill relating to subsidiaries (we refer to the differences relating to IFRS 3).
IAS 28	Excess of fair value of net assets acquired over the acquisition cost (negative goodwill)	Recognised immediately as a gain.	Similar to the accounting of negative goodwill relating to subsidiaries (we refer to the differences relating to IFRS 3).
IAS 28	Loss of significant influence	On loss of significant influence, the remaining investment is remeasured to its fair value at that date, with the gain or loss recognised in profit or loss. Thereafter, IFRS 9 is applied to the remaining investment.	On loss of significant influence, the last known carrying amount under the net asset value shall be the basis for subsequent measurement at cost or fair value.
IAS 29	Hyperinflationary	The basic principle is that the financial statements of an entity that reports in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the balance sheet date. Comparative figures for prior period(s) should be restated into the same current measuring unit. Non-monetary items are restated based on the change in the general price index between the date those items were acquired or incurred and the balance sheet date.	Guidance under DASs is similar to the requirements under IFRSs. However, under DASs an entity may restate non-monetary items based on the change in the general price index since the beginning of the financial year in which an entity identifies the existence of hyperinflation.

IAS/IFRS	Topic	IFRSs	NL GAAP
IAS 32	Classification as equity or liability	In the consolidated financial statements, individual and separate financial statements an issued financial instrument is classified, or its component parts, in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.	In the consolidated financial statements, the classification of financial instruments by issuers is similar to IFRSs, with some exceptions. In the company-only financial statements the classification of financial instruments by the issuer can be based on the legal form or on the substance of the instrument (in line with the requirements applicable to the consolidated financial statements.
IAS 32	Preference shares with contingent dividends depending on the availability of future profit	Classification as a liability is required, because the payment of dividend is not at the discretion of the issuer (cannot be avoided indefinitely).	Classification as equity instrument or as financial liability (accounting policy choice which shall be disclosed by entity). DASs consider dividend payments based on the availability of future profit a basic feature of an equity instrument.
IAS 32	Puttable instruments at fair value	Classified as equity if they are subordinated to all other classes of instruments and if certain other criteria are met.	Classification as equity is allowed, but not required if they are subordinated to all other classes of instruments and if certain other criteria are met.
IAS 32	Classification of rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer	Rights issues where the holder has the right to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are classified as an equity instrument if, and only if, the entity offers the financial instrument pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.	DASs contain no specific guidance for the classification of rights issues that are denominated in a currency other than the functional. We believe that the IFRS treatment is an acceptable alternative under DASs.
IAS 33	Earnings per share	An entity whose securities are publicly traded (or that is in process of public issuance) must present, on the face of the statement of comprehensive income, basic and diluted EPS. Other entities that choose to present EPS information must also comply with IAS 33.	Entities that disclose earnings per share shall comply with the requirements under DASs. Guidance to calculate basic earnings per share and diluted earnings per share under DASs is similar to the requirements under IFRSs.

IAS/IFRS	Topic	IFRSs	NL GAAP
IAS 34	Interim financial reporting	IAS 34 applies when an entity prepares an interim financial report, without mandating when an entity should prepare such a report. The standard outlines the recognition, measurement and disclosure requirements for interim reports, permitting less information to be reported than in annual financial statements (with the purpose of providing an update to those financial statements).	Guidance to prepare an interim financial report under DASs is similar to the requirements under IFRSs.
IAS 36	Timing of impairment tests	An impairment test shall be performed if an indication of impairment exists, except for intangible assets with indefinite useful lives, intangible assets not yet in use and goodwill acquired in a business combination. For these assets an impairment test shall be performed at least annually.	An impairment test shall be performed if an indication of impairment exists.
IAS 37	Provision for restructuring	Shall only be recognised if a constructive obligation for a restructuring arises. This is the case when: • there is a formal plan; and • the entity has raised a valid expectation in those affected that it will carry out the plan by either starting to implement the plan or announcing its main features to those affected by it.	Allowed to recognise if the restructuring was started or announced after the balance sheet date but before the date of issuing the financial statements, if certain conditions have been met.
IAS 38	Useful life	Required to regard an intangible asset as having an indefinite useful life when, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.	Useful life of an intangible asset is always finite.
IAS 38	Intangibles with indefinite useful life	Shall not be amortised. The useful life of such an intangible shall be reviewed each reporting period.	No distinction between intangibles with a finite and indefinite useful life. Intangibles shall be amortised based on the expected useful life. There is a rebuttable presumption that the useful life of an intangible fixed asset does not exceed twenty years.

IAS/IFRS	Topic	IFRSs	NL GAAP
IAS 38	Impairment test	Intangible assets with an indefinite useful life are subject to an annual impairment test.	Intangible assets with a useful life exceeding 20 years and intangible assets not yet taken into use are subject to an annual impairment test.
IAS 40	Fair value changes of investment property measured at fair value	Shall be recognised in profit or loss. A revaluation reserve shall not be recognised.	Shall be recognised in profit or loss. However, a revaluation reserve shall be recognised for the difference between cost and the fair value until the fair value is realised.
IAS 41	Agriculture	Specific accounting requirements for the following when they relate to agricultural activity: • biological assets, except for bearer plants; and • agricultural produce at the point of harvest. Bearer plants are within the scope of IAS 16. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. The produce growing on bearer plants are within the scope of IAS 41.	No specific requirements for agricultural activity.
IFRIC 1	Decommissioning, restoration and other liabilities	Specific accounting requirements for changes in the measurement.	If the costs of an item of property, plant and equipment include the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the accounting for changes in the measurement of these liabilities is similar to IFRIC 1 treatment.
IFRIC 2	Members' shares in co-operative entities and similar instruments	Specific requirements for the classification of these financial instruments as financial liabilities or equity by the issuer.	In the consolidated financial statements, the classification of these financial instruments by issuers is like the classification under IFRSs. In the company-only financial statements the classification of financial instruments by the issuer is based on the legal form of a financial instrument instead of the economic substance of the instrument.
IFRIC 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds	Specific requirements for the accounting for an interest in a fund and the accounting for obligations to make additional contributions.	DASs do not contain specific guidance for the accounting for an interest in a fund. However, based on general requirements the required accounting shall be similar to IFRIC 5. The guidance under DASs relating to the accounting for obligations to make additional contributions is similar to the requirements under IFRSs.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRIC 6	Liabilities arising from participating in a specific market	Participation in the market during the measurement period is the obligating event in accordance with IAS 37.	Guidance under DASs is similar to the requirements under IFRSs.
IFRIC 7	Applying the restatement approach under IAS 29 Financial reporting in hyperinflationary economies	In the reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, not having been hyperinflationary in the prior period, the entity shall apply the requirements of IAS 29 as if the economy had always been hyperinflationary.	The required accounting under IFRSs is allowed, but not required. An entity can choose to present financial statements to reflect the effect of inflation from the beginning of the reporting period in which the entity identifies the existence of hyperinflation in the economy of its functional currency (a starting index of 100% at the beginning of the reporting year in which the entity identifies the existence of hyperinflation).
IFRIC 10	Interim financial reporting and impairment	An entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill.	DASs do not contain this restriction. Application of the consensus in IFRIC 10 is allowed, but not required.
IFRIC 12	Service concession arrangements	For all arrangements falling within the scope of IFRIC 12 (essentially those where the infrastructure assets are not controlled by the operator), the infrastructure assets are not recognised as property, plant and equipment of the operator. Rather, depending on the terms of the arrangement, the operator recognises: • a financial asset; or • an intangible asset.	DASs contain no specific guidance. IFRS treatment is allowed.
IFRIC 14	The limit on a defined benefit asset	IFRIC 14 provides guidance on how to assess the limit on the amount of the surplus that can be recognised as a defined benefit asset. It also explains how the pensions asset or liability may be affected when there is a statutory or contractual minimum funding requirement.	DASs contain no specific guidance.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRIC 16	Hedges of a net investment in a foreign operation	The presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation. The hedging instrument(s) may be held by any entity or entities within the group as long as the designation, effectiveness and documentation requirements for a hedge of a net investment are satisfied.	DASs contain no specific guidance. IFRS treatment is allowed.
IFRIC 17	Distributions of non-cash assets to owners	A dividend payable shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity. An entity shall measure the dividend payable at the fair value of the net assets to be distributed. The dividend payable shall be remeasured at each reporting date with changes recognised directly in equity. The difference between the dividend paid and the carrying amount of net assets distributed shall be recognised in profit or loss.	DASs contain no specific guidance. IFRS treatment is allowed.
IFRIC 18	Transfers of assets from customers	IFRIC 18 deals with circumstances where an entity receives from a customer an item of PP&E that the entity then must use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. IFRIC 18 provides guidance on when a recipient shall recognise such assets in their financial statements. Where recognition is appropriate, the deemed cost of the asset is its fair value on the date of the transfer. IFRIC 18 also provides guidance on the pattern of revenue recognition arising on the transfer of the asset.	DASs contain no specific guidance. IFRS treatment is allowed.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRIC 19	Extinguishing financial liabilities with equity instruments	An entity shall measure the equity instruments issued as extinguishment of the financial liability at their fair value on the date of extinguishment of the liability, unless that fair value is not reliably measurable. In this case the equity instruments shall be measured to reflect the fair value of the liability extinguished. Any difference between the carrying amount of the liability (or the part of the liability) extinguished and the fair value of equity instruments issued is recognised in profit or loss.	DASs contain no specific guidance. IFRS treatment is allowed.
IFRIC 20	Stripping costs	IFRIC 20 provides guidance for waste removal costs that are incurred in surface mining activity during the production phase of the mine (production stripping costs).	DASs contain no specific guidance. IFRS treatment is allowed.
IFRIC 21	Levies	The obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. If the obligating event is the reaching of a minimum threshold, the corresponding liability is recognised when that minimum activity threshold is reached.	IFRS treatment is allowed. However, DASs contain an allowed alternative treatment to accrue a liability over the period to which the levy relates.
IFRIC 22	Foreign currency transactions and advance consideration	IFRIC 22 addresses foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. IFRIC 22 concludes that • the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary asset or non-monetary liability; and • if there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.	DASs contain no specific guidance. IFRS treatment is allowed.

IAS/IFRS	Topic	IFRSs	NL GAAP
IFRIC 23	Uncertain tax positions	An entity must consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing. If the entity concludes that it is probable that a particular tax treatment is accepted, the entity must determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings. If the entity concludes that it is not probable that a particular tax treatment is accepted, the entity must use the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.	If an uncertain tax position affects both the taxes due and/or available for settlement and deferred taxes over the reporting period, the uncertain tax position for all these positions should be recognised and measured in a consistent manner. IFRS treatment is allowed.
SIC-7	Introduction of the euro	Requirements regarding the accounting for the changeover from the national currencies of participating Member States of the European Union to the euro.	DASs contain no specific guidance. IFRS treatment is allowed.
SIC-10	Government assistance	Government assistance meets the definition of government grants in IAS 20, even if there are no conditions specifically relating to the operating activities of the entity other than to operate in certain regions or industry sectors.	DASs contain no specific guidance. IFRS treatment is allowed.
SIC-25	Changes in the tax status of an entity	A change in the tax status of an entity does not give rise to increases or decreases in amounts recognised outside profit or loss.	Guidance under DASs is similar to the requirements under IFRSs.
SIC-29	Disclosure of service concession arrangements	Specific disclosure requirements for operators and grantors relating to service concession arrangements.	Guidance under DASs is similar to the requirements under IFRSs.
SIC-32	Website costs	Guidance to determine whether the website is an internally generated intangible asset and to determine the appropriate accounting treatment of such expenditure.	Guidance under DASs is similar to the requirements under IFRSs.

Endnotes

1 IFRS 14 'Regulatory Deferral Accounts' is effective for annual periods beginning on or after 1 January 2016, with earlier application permitted. The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard.

2 The revised standards DAS 221 and 270 related to revenue recognition have an effective date of 1 January 2022. Furthermore, the guidance stipulates that it is allowed to use the new guidance only for agreements starting on or after 1 January 2022, rather than applying the guidance retrospectively.

3 The IASB issued amendments to IFRS 16 "L*ease liability in a Sale and Leaseback*" This clarifies how a seller-lessee subsequently measure sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective as per 1 January 2024. *The amendments have per completion date of this edition not been endorsed for use in the European Union*

4 IFRS 17 'Insurance Contracts' is effective for annual periods beginning on or after 1 January 2023, with earlier application permitted if both IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' have also been applied. It supersedes IFRS 4. *IFRS 17 has been endorsed by the European Union as per November 2021, albeit with an exemption regarding the annual cohort requirement.*

5 The IASB amends paragraphs 117-122 of IAS 1 Presentation of Financial Statements to require entities to disclose their material accounting policies rather than their significant accounting policies. Corresponding to this the IASB amends IFRS Practice Statement 2 Making Materiality Judgements. The amendments are effective for annual periods beginning or after 1 January 2023. *The amendments have been endorsed by the European Union in March 2022.*

6 The IASB clarifies criteria in IAS 1 Presentation of Financial statements for the classification of liabilities as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period "Classification of Liabilities as current or non-current (Amendments to IAS 1)". The amendments (a.) specify that an entity's right to defer settlement must exist and the end of the reporting period, (b.) clarify that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (c.) clarify how lending conditions affect classification and (d.) clarify requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments. The amendments (including those issued in October 2022) will be effective for annual reporting periods beginning on or after 1 January 2024. *The amendments have per completion date of this edition not been endorsed for use in the European Union.*

7 The IASB amendment IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events. The amendments will be effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted. *The amendments have been endorsed for use in the European Union in March 2022.*

8 The IASB has published "Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, early adoption is permitted. *The amendments have been endorsed for use in the European Union in August 2022.*

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