Disclosure of interests in the other entities

Summary

Objective and scope

The objective of IFRS 12 is to require the disclosure of information that enables users of financial statements to evaluate:

- The nature of, and risks associated with, its interests in other entities
- The effects of those interests on its financial position, financial performance and cash flows.

Where the disclosures required by IFRS 12, together with the disclosures required by other IFRSs, do not meet the above objective, an entity is required to disclose whatever additional information is necessary to meet the objective.

IFRS 12 is required to be applied by an entity that has an interest in any of the following:

- Subsidiaries
- Joint arrangements (joint operations or joint ventures)
- Associates
- Unconsolidated structured entities

Annual Improvements to IFRS Standards 2014-2016 Cycle clarified that the disclosures required in IFRS 12 also apply to interests held for sale and discontinued operations. .

IFRS 12 does not apply to certain employee benefit plans, separate financial statements to which IAS 27 Separate Financial Statements applies (except in relation to unconsolidated structured entities and investment entities in some cases), certain interests in joint ventures held by an entity that does not share in joint control.

Disclosure of interests in the other entities

An investment entity that prepares financial statements in which all of its subsidiaries are measured at fair value through profit or loss presents the disclosures relating to investment entities required by IFRS 12.

REFERENCE:
Deloitte. IAS Plus
IFRS 12 Disclosure of Interests in Other Entities
December 8, 2016.
Retrieved from: https://www.iasplus.com/en/standards/ifrs/ifrs12