Dutch GAAP versus IFRS

January 2021

mazars

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Preface

This is the first edition of our publication on similarities and differences between Dutch GAAP and IFRS. The purpose of this publication is not only to present an assessment of the main similarities and differences between Dutch GAAP and IFRS, but also to give an overview of the main legal reporting requirements in the Netherlands and the Dutch GAAP requirements. This publication focusses on the main similarities and differences between Dutch GAAP and IFRS regarding recognition and measurement. We do not explain in detail the similarities and differences regarding presentation and disclosures. In this publication we address the provisions under Dutch GAAP applicable to large and medium-sized entities and IFRS for annual periods beginning on or after 1 January 2021.

After a period of significant changes in financial reporting under IFRS, we expect there will be a period of calm the coming years. The IASB is currently working on the content of a request for information as part of the 2020 Agenda Consultation. This consultation will be focussed on:

- The strategic direction and balance of the IASB's activities;
- The criteria for assessing the priority of financial reporting issues that may be added to the work plan;
- The financial reporting issues that shall be given priority.

Dutch GAAP was already a more stable set of standards. Before 2005 the Dutch Accounting Standards Board (DASB) had a strategy to implement changes to IFRS into its own standards. But the strategy of the DASB changed around 2005 as a consequence of the introduction of IFRS regulation by the European Union. The strategy of the DASB is to focus on financial reporting standards for non-listed entities, while the IASB focusses with IFRS on entities which have public accountability. As a consequence, we expect that many of the current differences will not be eliminated in the future.

One example is the accounting for leases by lessees. The DASB has decided not to require the recognition of operating leases on the balance sheet as required under IFRS. Another example is the accounting for revenue. The DASB has made the decision not to integrate all the provisions of IFRS 15 'Revenue from contracts with customers' into the Dutch Accounting Standards. The current provisions on revenue recognition will stay in place and guidance regarding specific areas has been added. Examples of these areas are performance obligations, variable consideration and licensing. We refer to the publication of the new accounting standards on revenue by the DASB on 23 December 2020 (RJ-Uiting 2020-15). An entity shall apply these new standards for annual periods beginning on or after 1 January 2022. In chapter 18A we have included the main similarities and differences between Dutch GAAP and IFRS based on these new accounting standards.

The information in this publication is the product of a joint effort of our team of technical experts on Dutch GAAP and IFRS. We plan to update this publication on a yearly basis. Please forward any comments or suggestions you may have concerning the content of this publication. Your comments and suggestions will help to improve the value of this publication.

For companies considering converting to IFRS (or Dutch GAAP), we can help you to:

- Assess the implications that different reporting framework options will mean for your company;
- Conduct framework consideration assessments;
- Conduct detailed impact assessments;
- Prepare and / or review financial statements for compliance;
- Prepare and/or review accounting policies and manuals and group reporting requirements;
- Provide and/or explain the detailed requirements of disclosure checklists.

We can also provide technical advice on other accounting issues, as well as training courses tailored for the needs of your board, finance team and/or other affected teams. Please do not hesitate to contact us if you have any question.

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Main legal reporting requirements in the Netherlands

Introduction

Companies registered in the Netherlands are regulated principally under Book 2 of the Dutch Civil Code (DCC). The provisions relating to annual reporting and auditing are based largely on EU Directives and are incorporated in Title 9 Book 2 of the DCC (hereinafter: Title 9). Title 9 applies to legal entities (hereafter: entities) such as public limited liability companies (NVs) and private limited liability companies (BVs). Title 9 also applies to limited or general partnerships (a.o. CVs) where all partners who are fully liable towards creditors for the debts are capital companies under foreign law. Title 9 covers the financial statements, the management board report and Other information, which includes the auditors' opinion.

Title 9 has provisions for both the financial statements to be prepared and those to be published. The information to be published need not to be the same in every case as that submitted to the company's own bodies. The information which micro, small and medium-sized entities must publish is far less than that which must be included in their financial statements.

According to Title 9 entities can prepare financial statements in accordance with Dutch GAAP or the standards of the IASB approved by the European Commission (hereinafter: IFRS-EU). Dutch GAAP is the term used to indicate the whole body of authoritative accounting law, standards and literature, including the Dutch Civil Code (DCC), the Framework and the Dutch Accounting Standards (DASs) published by the Dutch Accounting Standards Board (DASB). Title 9 stipulates that the principles generally used for valuation of assets and liabilities and the determination of results are in accordance with standards generally considered acceptable. The DASB has the task to define these standards in the Netherlands and publish accounting standards. The authoritative statements in either the draft or the definitive standards are not binding in the way the legal requirements are. However, the authoritative statements made by the DASB are not expected to be departed from without good reason. The standards are in general based on the standards of the International Accounting Standards Board (IASB), except where these are not appropriate to the Dutch situation.

An entity states in the notes according to which standards the financial statements have been prepared, i.e., whether the financial statements have been prepared in accordance with Dutch GAAP or IFRS-EU.

The consolidated financial statements can be prepared in accordance with IFRS-EU, pursuant to article 2:362(8) DCC. The company-only financial statements can be prepared in accordance with IFRS-EU if no consolidated financial statements are prepared or if consolidated financial statements in accordance with IFRS are prepared as well. An entity can apply the same accounting principles in the company-only financial statements that are applied in the consolidated financial statements in accordance with IFRS. This possibility effectively means that the entity prepares the company-only financial statements in accordance with the IFRS accounting principles that have been applied in the consolidated financial statements, except for the valuation of participations over which the entity has control. These participations are valued at net asset value. The entity will then state the net asset value in accordance with the IFRS accounting principles that have been applied in the consolidated financial statements. Thus the shareholders' equity in the company-only financial statements can still be reconciled to the equity in the consolidated financial statements. An entity can choose to present goodwill relating to these participations separately (under the intangible fixed assets) or as part of the interest in the participation (under the financial fixed assets) on the balance sheet in the company-only financial statements.

The table below summarises the combinations possible under Dutch law. Listed entities can only apply the possibilities stated under 2, 3 and 4, as a result of the IFRS provision.

	Company-only financial statements	Consolidated financial statements
1	Title 9	Title 9
2	Title 9	IFRS-EU
3	Title 9 applying the accounting principles that the entity has applied in the consolidated financial statements	IFRS-EU
4	IFRS-EU plus the applicable articles of Title 9	IFRS-EU

Management board report

The management board report shall give a true and fair view of the situation on the reporting date (the end of the reporting period), the developments during the financial year and the results of an entity and of its group companies whose financial data have been included in its financial statements. The management board report shall contain, in accordance with the size and complexity of the entity and its group companies, a balanced and comprehensive analysis of the situation on the reporting date, the development during the financial year and the results. Where necessary for an understanding of the development, results or position of the entity and its group companies, the analysis shall include both financial and non-financial performance indicators, including environmental and personnel matters. Medium-sized entities are exempted from the obligation to pay attention to non-financial performance indicators in the management board report.

The management board report shall also describe the main risks and uncertainties with which the entity is confronted. The management board report shall be drawn up in the Dutch language, unless the general meeting has decided to use another language.

The management board report shall contain announcements concerning the expected course of events; in so far as there are no major interests to the contrary, particular attention shall be paid to investments, financing and staffing and to the circumstances on which the development of turnover and profitability depends. Information is provided on research and development activities. It is stated how special events that need not be taken into account in the financial statements have influenced expectations.

The public limited liability company (NV) which is non-listed and whose articles of association contain only registered shares, contain a blocking rule and do not allow bearer certificates to be issued with the cooperation of the company also announces the company's policy on the remuneration of its members of the management board and supervisory board and the manner in which this policy has been put into practice during the year under review.

The law also requires the management board report to provide insight into objectives and policy regarding risk management in respect of application of financial instruments. It concerns objectives and policy of the entity and the group companies of which the financial data have been included in its financial statements. Among the issues that shall be noted is the policy in respect of hedging the risks involved with all major types of intended transactions. Moreover, attention shall be paid to the price, credit, liquidity and cash flow risks the entity and its group companies run.

The management board report may not conflict with the financial statements.

Other information

The Other information shall include the following (article 2:392 DCC):

- The auditors' opinion;
- The provisions of the articles of association in respect of the appropriation of profit;
- The special controlling rights in relation to the entity afforded to holders of priority shares etc., the names of the shareholders and the names of the managers of entities who exercises such rights etc.;
- A statement of the number of profit sharing certificates and the rights they confer;
- A statement of branches and of the countries in which these branches are established.

Classification by size

The criteria for classification of entities according to size are:

	Mirco entities	Small entities	Medium-sized entities	Large entities
Total assets	≤ € 350.000	≤ € 6.000.000	≤ € 20.000.000	> € 20.000.000
Net turnover	≤ € 700.000	≤ € 12.000.000	≤ € 40.000.000	> € 40.000.000
Average number of employees	< 10	< 50	< 250	≥ 250

An entity falls into one of the above categories if it satisfies two of the three criteria in the column concerned. Changes in category occur only if the entity satisfies the criteria for another category in a second successive year. This ensures that entities on the borderline between two categories are not continually switching categories as a result of minor fluctuations in their size. The criteria listed above relate to the information of an entity, including the (consolidated) information of any group companies. If an entity uses the consolidation exemption for intermediate holdings, the information of group companies need not be taken into account in the determination of size. This latter stipulation can entail major simplifications, particularly for intermediate holding companies. The value of total assets may be determined on a historical cost basis. The classification does not apply to banks and insurance companies.

Preparation of the financial statements

Financial statements of BVs and NVs shall be prepared by the management board within five months after the end of the financial year. A period of four months (without the possibility of extension) applies to listed companies. In special circumstances, the general meeting may grant the management board an extended maximum period of five months in which to prepare the financial statements. The date of preparation shall be disclosed as part of the notes to the financial statements. It is important for users to know when the financial statements were prepared, because the financial statements do not reflect events after this date.

Adoption of the financial statements

The general meeting of shareholders shall adopt the financial statements of the entity. If all shareholders of a BV are also directors of that BV, the signature of the directors (subject to a number of specific other conditions) also constitutes adoption of the financial statements.

Publication

In principle, every entity subject to Title 9 shall publish its financial statements within eight days of adoption by the general meeting of shareholders. Publication shall be effected by depositing a copy at the offices of the commercial register in the district in which, according to its memorandum and articles of association, the entity has its registered office. The date of adoption by the general meeting must be annotated on the copy. Exemption from compulsory publication of the full financial statements can be granted on the grounds of the limited size of an entity. Publication shall take place by filing the financial statements drawn up in the Dutch language in full or, if these have not been produced, the financial statements in French, German or English, with the Trade Register, if applicable in the manner prescribed by or pursuant to article 19a of the Trade Register Act 2007. The date of adoption by the general meeting shall be stated.

If the financial statements have not been adopted by the general meeting of shareholders in accordance with the statutory requirements within two months after the expiry of the period prescribed for drawing up the financial statements, the management board shall immediately publish the financial statements; the financial statements shall state that they have not yet been adopted. No later than twelve months after the end of the financial year, the entity must have published the financial statements.

At the same time as and in the same manner as the financial statements, the management board report and the Other information referred to in article 2:392 DCC shall be published in Dutch or in English, French or German.

If the general meeting extends the period for the preparation of the financial statements (maximum permitted extension of five months) the statements must be filed within two months of the end of the extended period. Employing the maximum postponement possibilities an entity must publish the financial statements within twelve months after the end of the financial year. Failure to file the statements within this period is an economic offence for which criminal sentences can be imposed. A copy of the management board report and the Other information must be published together with the financial statements. It is not compulsory to file the management board report and Other information if these are kept for public inspection at the offices of the entity and if a full or abridged copy is provided on request, at no more than cost. The entity must notify the commercial register if this is the case.

The financial statements, management board report and Other information shall be kept for seven years.

If the financial statements are published in part, or in an abridged form, other than by filing at the offices of the chamber of commerce, the entity must specifically state that this concerns an abridged version, making reference to the filing at the chamber of commerce. The auditors' opinion on the filed financial statements may not be added to this version. The documents shall be accompanied by a statement prepared by the auditor, showing whether an opinion on the full unabridged financial statements has been issued and if so, its conclusions. If an opinion has not been issued, the reasons shall be given.

Finally, publication shall be made by depositing a copy of the financial statements prepared in the Dutch language or, if a Dutch-language version was not prepared, a copy in the English, French or German language. The management board report and the Other information shall be written in the same language as the language used in the financial statements (DAS 190.111).

Exemptions

Micro, small and medium-sized entities may take advantage of certain exemptions if they do not prepare financial statements in accordance with IFRS. A distinction can be made between exemptions relating to presentation, and those relating to publication and auditing of the management board report and annual accounts. In general, the extent to which compliance with these provisions is required of micro, small, medium-sized and large entities may be summarised as set forth below (F = full compliance with the provisions is

required; PE = partial exemption from the provisions is available; E = full exemption from the provisions is available):

	Micro entities	Small entities	Medium-sized entities	Large entities
Preparation				
Balance sheet layout	PE	PE	F	F
Statement of profit or loss layout	PE	PE	PE	F
Notes	E	PE	PE	F
Management board report	E	E	F	F
Other information	E	E	F	F
Publication				
Balance sheet	PE	PE	PE	F
Statement of profit or loss	E	E	PE	F
Notes	E	PE	PE	F
Management board report	E	E	F	F
Other information	E	E	PE	F
Audit requirements				
Compulsory audit	E	E	F	F

Listed entities

Accounting standards

Pursuant to the EU Regulation on the application of international accounting standards, listed entities which securities are admitted to trading on a regulated market are required to prepare consolidated financial statements in accordance with IFRS-EU.

Filing

Listed enities whose securities are admitted to trading on a regulated market as referred to in the Financial Supervision Act (Wft) shall file the financial statements within a period of four months after the balance sheet date by sending the adopted financial statements to the Netherlands Authority for the Financial Markets (AFM) on the basis of article 5:25o, first paragraph, of that Act. Such a listed company shall also send the management board report and the Other information to the Netherlands Authority for the Financial Markets (AFM).

Compensation statement

A listed entity which securities are admitted to trading on a regulated market shall prepare and publish a compensation statement. This compensation statement can be combined with the remuneration report that is required by the Code corporate governance. An auditor shall assess whether this statement contains the

required information. This statement shall be published on the website of the entity after the general meeting of shareholders.

The disclosures required in this statement concern disclosure of (article 2:135b DCC):

- Remuneration per individual directors and supervisory board members (specified by nature);
- Proportion of fixed and variable remuneration for individual directors and supervisory board members;
- Details of share options granted to individual directors and supervisory board members;
- Any use of the right to reclaim;
- Information on how the remuneration complies with the remuneration policy and how performance criteria were applied;
- Derogations and deviations from the remuneration policy and from the procedure for its implementation;
- Comparative information on the change of remuneration and company performance over a minimum period of five years.

Further guidance can be found in draft guidelines of the European Commission: https://ec.europa.eu/info/sites/info/files/rrg_draft_21012019.pdf. These non-binding draft guidelines are aimed to help companies disclose clear, understandable, comprehensive and comparable information on individual directors' remuneration which meets the requirements of the EU Directive.

Audit requirements

An audit is compulsory for large and medium-sized entities. Micro and small entities are exempt. The auditor shall examine whether the financial statements provide the insight required by article 2:362(1) DCC. The auditor shall also check whether the financial statements comply with the requirements laid down by and pursuant to the law, whether the management board report has been drawn up in accordance with Title 9 and is compatible with the financial statements, whether the management board report contains any material inaccuracies in the light of the knowledge and understanding acquired during the audit of the financial statements accounts concerning the entity and its surroundings, and whether the Other information required in article 2:392(1) DCC has been added.

Title 9 stipulates which of the entity's bodies are authorised to commission audits or withdraw audit instructions, in the following order of rank. The annual general meeting of shareholders is empowered to make such appointment. If it does not do so, the supervisory board or, in the absence of such body or if it fails to do so, the management board shall have those powers. The appointment of an auditor may be withdrawn at any time by the general meeting or by the body making the appointment. The auditor shall, if he so requests, be given the opportunity to address the general meeting on the matter of his dismissal which has been communicated to him. The management board and the auditor shall immediately inform the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) of the revocation of the assignment by the entity or its premature termination by the auditor, and shall give sufficient reasons for this.

The auditor shall report on his audit to the supervisory board and the management board. He shall at least state his findings with regard to the reliability and continuity of automated data processing.

The auditor shall present the results of his audit in a report on the fairness of the financial statements. The auditor may issue a separate statement for the company-only financial statements and the consolidated financial statements. The auditor's report shall include at least the following information:

- An indication of the financial statements to which the audit relates and of the legal requirements applicable to the financial statements;
- A description of the scope of the audit, stating at least which audit guidelines have been complied with;
- An opinion as to whether the financial statements provide the required insight and comply with the rules laid down by and pursuant to the law;
- A reference to certain matters to which the auditor draws attention in particular;

- An indication of the deficiencies found as a result of the investigation of the financial statements, whether the management board report has been drawn up in accordance with Title 9 and whether the Other information has been added;
- An opinion on the compatibility of the management board report with the financial statements;
- An opinion as to whether, in the light of the knowledge and understanding acquired during the audit of the financial statements concerning the entity and its environment, material inaccuracies have been found in the management board report, stating the nature of those inaccuracies;
- A statement concerning material uncertainties related to events or circumstances that could give rise to reasonable doubt as to whether the entity can continue its activities;
- Location of the registered office of the audit firm.

The auditor shall sign and date the auditor's report.

The financial statements cannot be adopted if the competent body has not been able to take cognizance of the auditor's report, which shall have been attached to the financial statements, unless a legal ground for the absence of the report is stated under the Other information.

Dutch GAAP versus IFRS

1. General principles

	Dutch GAAP	IFRS
Fair presentation	The financial statements shall provide, on the basis of generally accepted accounting standards, such a view that an informed assessment can be made about the entity's financial position and result and, insofar as the nature of financial statements permits, about its solvency and liquidity. An entity shall disclose the standards according to which the financial statements have been prepared. Article 2:362(1) DCC	Like Dutch GAAP, financial statements shall present fairly the financial position, financial performance and cash flows of an entity. IAS 1.15
Compliance	DASs consist of legal requirements, authoritative statements of the DASB and recommendations of the DASB. Bold guidelines shall be regarded as authoritative statements but even such authoritative statements do not have the status of a statutory provision and so are not legally binding. DAS 100.407	Unlike Dutch GAAP, an entity shall not describe financial statements as complying with IFRS unless they comply with all the requirements of IFRS. IAS 1.16
True and fair view override	In the DCC is included that an entity deviates from regulations in Title 9 Book 2 DCC if this is necessary to provide the required insight; the reason for this deviation is set out in the notes to the financial statements, to the extent necessary with a statement of its effect on equity and result. The DASB expects that authoritative statements are only departed from if there are good reasons for doing so. One good reason accepted by the DASB, in any event, is that a departure is intended to achieve and succeeds in achieving an improvement in the view given by financial statements. Article 2:362(4) DCC DAS 100.407	Unlike Dutch GAAP, the application of all IFRS, with additional disclosure, when necessary, is presumed to result in financial statements that achieve a fair presentation. An entity shall only depart from a requirement in the extremely rare circumstances in which management concludes that compliance with that requirement in an IFRS would be so misleading that it would conflict with the objective of financial statements set out in the Conceptual Framework. IAS 1.15, 19
Classification by size	Title 9 Book 2 DCC differentiates between classifications of legal entities and the classification depends on their size. This classification is important for the format and publication requirements for the financial statements, the management board report and Other information of these entities and for the audit. The different classifications are commonly referred to as micro entities, small entities,	The size of an entity does not influence the accounting requirements under IFRS.

	medium-sized entities and large entities. Article 2:395a-398 DCC DAS 315.101	
Specific branches	Dutch GAAP has specific accounting standards for the following branches: banks (DAS 600), insurers (DAS 605), pension funds (DAS 611), premium pension institutions (DAS 611), investment entities (DAS 620), cooperatives (DAS 620), not-for-profit organizations (DAS 640), licensed public-sector housing institutions (DAS 645), fundraising institutions (DAS 650), healthcare institutions (DAS 655) and educational institutions (DAS 660). DAS 6	Unlike Dutch GAAP, IFRS do not contain industry-specific accounting standards. The accounting standards focus only on topics (e.g. the accounting for insurance contracts instead of accounting by insurance companies, agricultural activities instead of agricultural companies).
Economic substance	The substance of transactions shall be reflected in the financial statements. The substance of transactions is determined by the resources which as a result of those transactions will probably flow to or from the entity, along with the associated economic risks. DAS 115.107	Like Dutch GAAP, the financial statements shall reflect the economic substance of transactions, other events and conditions and not merely the legal form. Conceptual Framework 4.6 IAS 8.10
Framework	The Framework of the DASB ('Stramien') is a translation of the Framework for the Preparation and Presentation of Financial Statements published by the International Accounting Standards Committee in June 1989. The concepts set out in the IASC Framework (1989) are endorsed by the DASB. The DASB therefore sees the Framework, which is included in Chapter 930, as an important basis for the development of Dutch (draft) Guidelines for Annual Reporting and as a useful tool for reporting practice for those situations that are not (yet) or only to a limited extent covered by the (draft) Guidelines. The Framework sets out: - the objective of financial statements; - the qualitative characteristics that determine the usefulness of information in financial statements; - the definition, recognition and measurement of the elements from which financial statements are constructed; and	The Conceptual framework for financial reporting of the IASB (Conceptual framework) is not a standard. The Conceptual framework (issued in March 2018) sets out the fundamental concepts for financial reporting that guide the IASB in developing standards. The Conceptual framework also assists companies in developing accounting policies when no IFRS applies to a particular transaction, and more broadly, helps stakeholders to understand and interpret the standards. The Conceptual framework sets out: - the objective of general purpose financial reporting; - the qualitative characteristics of useful financial information; - a description of the reporting entity and its boundary; - definitions of an asset, a liability, equity, income and expenses and guidance supporting these definitions; - criteria for including assets and liabilities in financial statements (recognition) and guidance on when to remove them (derecognition); - measurement bases and guidance on when to use them;

	- concepts of capital and capital maintenance. DAS 930 Framework	- concepts and guidance on presentation and disclosure; and - concepts relating to capital and capital maintenance. Conceptual framework
Package deals	Package deals are defined as the interrelated agreements with one or more third parties as the counterparty in which goods or other rights and/or obligations are acquired and/or disposed of together, possibly with a supplementary cash payment to or from the counterparty. A feature of these is that often there is no commercial balance between performance and consideration in an individual transaction, so that the individual transaction would not be entered into; there is, however, a commercial balance between the overall performance and consideration in the transactions taken as a whole. Not all transactions which display a degree of interrelationship are package deals. There is a package deal if all the transactions arise from a single consensus, which may be manifest in one or more agreements between the parties. The individual assets and/or liabilities involved in a package deal shall be measured at their fair value. DAS 190.401-404	Although IFRS do not address package deals generically, accounting under IFRS shall result in relevant and reliable information (amongst others reflect the economic substance of transactions, other events and conditions and not merely the legal form). IAS 8.10
Going concern assumption	Measurement of assets and liabilities assumes the continuation of the entirety of the entity's operations (the going concern assumption). The entity is deemed to be able to continue its operations without the need or intention of liquidation or cessation of all its operations. Article 2:384(3) DCC	Like Dutch GAAP, an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. IAS 1.25
Going concern assumption not appropriate	If there is unavoidable cessation of an entity, the entity shall in any event apply the following accounting policies to the financial statements: - all assets that meet the definition of an asset set out in DAS 940 being recognised in the balance sheet at their expected net realizable value, irrespective of whether they have previously been recognised in the balance sheet; - all liabilities being recognised in the balance sheet in accordance	Unlike Dutch GAAP, IFRS do not contain specific accounting policies when the going concern assumption is not appropriate. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern. IAS 1.25

	with DAS 115.105, measured at the best estimate of the amounts required to settle these items contractually. For liabilities, this will often be the nominal value of the amount payable; and - expected costs and revenue to the expected date of settlement of prepayments and accruals being recognised in the balance sheet. The entity shall disclose the consequences on equity and of the fact that the entity is not regarded as a going concern (article 2:384(3) DCC). DAS 170.201	
Material uncertainties regarding going concern	If there is serious uncertainty about the continuity of an entity's overall operations, a proper explanation of the entity's circumstances shall be made in the notes. DAS 170.305	Like Dutch GAAP, if an entity is aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. IAS 1.25
Accrual basis of accounting	When measuring assets and liabilities and determining the result for a period, income (revenue) and expense (costs) shall be allocated to periods. DAS 110.118	Like Dutch GAAP, an entity shall prepare its financial statements using the accrual basis of accounting (except for cash flow information). IAS 1.27
Inappropriate accounting policies	An entity shall not rectify incorrect or inappropriate treatment of items in the balance sheet or income statement by means of proper disclosure in the notes. DAS 110.125	An entity cannot rectify inappropriate accounting policies either by disclosure of the accounting policies used or by notes or explanatory material. IAS 1.18
Recognition: General	An asset shall be recognised in the balance sheet if it is probable that future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. A liability shall be recognised in the balance sheet when it is probable that the settlement of an existing obligation will involve an outflow of resources embodying economic benefits and the amount at which settlement will take place can be measured reliably. DAS 115.104, 105	Unlike Dutch GAAP, IFRS do not contain generic recognition criteria. Recognition criteria for specific items are included in applicable standards.
Derecognition: General	Once recognised, an asset or liability shall remain on the balance sheet if a transaction does not lead to a significant change in substance with respect to that asset or liability. Nor may such transaction lead to recognition of results.	Unlike Dutch GAAP, IFRS do not contain generic derecognition criteria. Derecognition criteria for specific items are included in applicable standards (e.g. IFRS 9 'Financial instruments' contains derecognition criteria for financial assets and financial liabilities).

	Establishing whether there is a significant change in the substance shall be based on those economic benefits and risks which will probably arise in practice, and not on benefits and risks which cannot reasonably be expected to arise. An asset or a liability shall no longer be recognised if the transaction means that all or substantially all rights to economic benefits and all or substantially all risks relating to the asset or liability are transferred to a third party. The results of the transaction shall in that case be recognised directly in the income statement, taking into account any provisions that shall be formed in connection with the transaction. DAS 115.110	
Treatment of results on intragroup transactions in the consolidated financial statements	Results on intragroup transactions between consolidated group companies shall be eliminated in full on consolidation from both the balance sheet and the group result to the extent that these results are not yet realised by a transfer of the acquired asset or liability to a third party outside the group. Even if a group company is not consolidated (for example, for immateriality), the results on intragroup transactions with other (consolidated or unconsolidated) group companies shall be eliminated in full. If applicable, the recorded revenue and cost of sales shall be eliminated in full in the income statement. DAS 260.201	Like Dutch GAAP, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group shall be eliminated in full. IFRS 10.B86
Treatment of results on intragroup transactions in the company-only financial statements	With measurement of participating interests using the equity method, the gain or loss on intragroup transactions is determined according to the principles of proportionate determination of result. With measurement of participating interests at cost, results on intragroup transactions are not generally eliminated, unless the gain on the transfer has not actually been realised. The full profit on intragroup transactions is generally recognised immediately in the company-only financial statements if an entity measures the acquiring participating interests (in a downstream sale) or transferring participating interest (in an upstream or sidestream sale) at	Like Dutch GAAP, gains and losses resulting from upstream and downstream transactions involving assets that do not constitute a business, between an entity an its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unlike Dutch GAAP, the gain or loss resulting from a downstream transaction involving assets that constitute a business between an entity and its associate or joint venture is recognised in full in the investor's financial statements. IAS 28.28, 31B

	historical cost or current value. This does justice to the nature of company-only financial statements and measurement of the participating interest at historical cost or current value. Immediate and full profit-taking is also appropriate on transactions within the ordinary activities of the transferring and acquiring companies at fair (market) prices. In certain situations it has to be concluded that no profit has actually been realised. Intragroup transactions may only focus on the recognition of profit and so of higher distributable equity, while in fact there is no real change in economic circumstances. In this situation, recognition of profit depends on the outcome of a detailed analysis of the circumstances. If, for example, the acquiring company still owes the historical cost or funds it by an issue of shares and furthermore, in view of its financial position (looked at autonomously), would be unable to pay the historical cost in cash, this may be a reason to regard the gain on the transaction as unrealised. DAS 260.309-310	
Significant judgements and estimates	When applying the accounting policies and rules for preparing financial statements, the management board of an entity will make various judgements and estimates that may have a significant influence on the amounts recognised in the financial statements. If necessary for the view required pursuant to article 2:362(1) DCC, the entity must disclose the nature of those judgements and estimates including the associated assumptions. DAS 110.129	Like Dutch GAAP, an entity shall disclose the judgements that management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognised in the financial statements and sources of estimation uncertainty. Unlike Dutch GAAP, these disclosures shall be made separately for judgements and estimates. IAS 1.122, 125
Related party transactions	If an entity enters into material transactions with related parties and the transactions have not been conducted at arm's length, the entity must by law disclose the following information: - the amount of those transactions; - the nature of the relationship with the related party; - other information on those transactions necessary to provide insight into the financial position of the entity.	Unlike Dutch GAAP, disclosure is required of the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on financial statements. IAS 24.18

	Transactions between two or more members of a group need not to be disclosed provided the subsidiaries that are party to the transaction are wholly-owned by one or more members of the group. If the entity enters into material transactions with related parties on arm's length terms, it is recommended that this information is disclosed in the notes. Medium-sized entities other than public limited liability companies are exempt. Medium-sized public limited liability companies may restrict disclosure to transactions entered into directly or indirectly between the company and its principal shareholders and between the company and members of its board, management and supervisory bodies. The exemption for medium-sized entities does not apply to listed companies. DAS 330.201-203	

2. Presentation of financial statements

	Dutch GAAP	**IFRS**
Complete set of financial statements	A complete set of financial statements comprises: – a balance sheet; – a statement of profit or loss; and – notes. A cash flow statement shall be prepared by large and medium-sized entities as part of the notes. Large entities shall prepare a statement of comprehensive income. Article 2:362 DCC DAS 360.104	Unlike Dutch GAAP, a complete set of financial statements comprises: – a statement of financial position; – a statement of profit or loss and other comprehensive income; – a statement of changes in equity; – a statement of cash flows; and – notes. IAS 1.10
Format of financial statements	Prescriptive formats of the balance sheet and the income statement shall be applied. Article 2:363(6) DCC Decree on financial statements formats	Unlike Dutch GAAP, IFRS do not require the application of prescriptive formats. However, IFRS contain guidance regarding the presentation of the financial statements and require specific line items to be included. IAS 1.54, 82, 82A, 99, 106, 111
Comparative information	Comparative figures (where possible) shall be presented for items in the financial statements. This also applies to items in the notes. The notes shall contain descriptive comparative information in respect of the previous	Like Dutch GAAP, an entity shall present comparative information in respect of the preceding period for all amounts reported in the current period's financial statements, except when IFRS permit or require otherwise.

	financial year if this enhances the view required of the financial position and/or result. Article 2:363(5) DCC DAS 300.107	Like Dutch GAAP, an entity shall include comparative information for narrative and descriptive information if it is relevant to understanding the current period's financial statements. Unlike Dutch GAAP, an entity shall present a third balance sheet when an entity applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements and this has a material effect on the information in the balance sheet at the beginning of the preceding year. Related notes to this third balance sheet are not required. IAS 1.38-44
Classification as current or non-current assets	An asset shall be classified as current if: – it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle; or – it is held primarily for the purpose of being traded or for the short term and it is expected to be realised within twelve months after the reporting date; or – it is cash or a cash equivalent, unless it is restricted in its use. For these purposes, cash equivalents are short-term, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value. DAS 190.206	Broadly comparable to Dutch GAAP, an entity shall classify an asset as current when: – it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle; – it holds the asset primarily for the purpose of trading; – it expects to realise the asset within twelve months after the reporting period; or – the asset is cash or a cash equivalent unless the asset is restricted from being exchanges or used to settle a liability for at least twelve months after the reporting period. Unlike Dutch GAAP, deferred tax assets shall not be classified as current assets. IAS 1.56, 66
Classification as current or non-current liabilities	Liabilities shall be presented as current or non-current liabilities and may not be offset against the assets for whose financing the liabilities were entered into. Liabilities (including liabilities without a repayment period) shall be classified as short-term if they may be called within twelve months of the reporting date or as long-term if not. It follows from article 2:375(6) DCC that the amount of the repayments on non-current borrowings due within the coming year must be disclosed separately in the notes if those repayments are included in non-current liabilities. It is recommended for the view required by law that the	Broadly similar to Dutch GAAP, an entity shall classify a liability as current when: – it expects to settle the liability in its normal operating cycle; – it holds the liability primarily for the purpose of trading; – the liability is due to be settled within twelve months after the reporting period; or it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

	amount of repayments on non-current borrowings due within the coming year are classified as current liabilities. This enhances the view of the liquidity of the entity given by the balance sheet. Article 2:375(6) DCC DAS 254.301, 303, 308	Unlike Dutch GAAP, the amount of the repayments on non-current borrowings due within the coming twelve months shall be classified as current liabilities. Unlike Dutch GAAP, deferred tax liabilities shall not be classified as current liabilities. IAS 1.56, 69
Classification of loans issued	If the terms and conditions for borrowings under a long-term loan arrangement have not been complied with on the reporting date with the result that the liability becomes payable on demand, an entity shall classify the liability as current. If, however, a rectification period has been agreed with the creditor on or before the reporting date and so repayment on demand is not possible, the liability shall continue to be classified as non-current provided the rectification period is until at least twelve months after the reporting date. If the entity only reaches agreement with the creditor on a rectification period after the reporting date but before the financial statements have been prepared so that the borrowings are not due within twelve months after the reporting date, it is permissible to classify the liability as non-current. The exercise of this option must be disclosed. DAS 254.307	Unlike Dutch GAAP, there is no option to take into account a rectification period which has been agreed with the creditor after the reporting period. As a consequence, an entity shall classify a liability as current if it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. IAS 1.69
Offsetting	Assets and liabilities or income and expenses shall not be cancelled out against each other in the financial statements if they must be recognised pursuant to Title 9 Book 2 DCC as separate items. An entity shall recognise an asset and a liability net in the financial statements if and only if and to the extent that: – it has a sound legal instrument for offsetting and simultaneously settling the asset and the liability; and – it has the definite intention to settle the net amount as such or both items simultaneously. Article 363(2) DCC DAS 115.305	Like Dutch GAAP, an entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an IFRS. Although IFRS do not address offsetting of assets and liabilities generically, IFRS contains specific offsetting provisions regarding financial instruments and current and deferred tax items. IAS 1.32 IAS 32.42 IAS 12.71-76
Exceptional items	For the purpose of analysis and comparability of the results, exceptional items shall be disclosed	Like Dutch GAAP, when items of income or expense are material, an entity shall

	separately by nature and size. If an exceptional item is included in several other items in the income statement, the total financial effect of that exceptional item and the treatment of that exceptional item shall be disclosed. This shall be done by specifying (including the amounts) the items under which the exceptional item is accounted for. DAS 270.404	disclose their name and amount separately. IAS 1.97
Statement of comprehensive income	A large entity shall include a statement of comprehensive income in its consolidated financial statements that consists of: a. the post-tax consolidated result in the reporting period attributable to the shareholders or members of the entity; and b. total income and expenses recognised directly in the equity, distinguishing them by their nature. If the items mentioned under b are presented net, with respect to the effects of taxes on profit, the tax burden on the individual items is explained in the statement of recognised income and expense. The statement of comprehensive income shall also present comparative information for the previous year. The overview of the overall result shall be presented: – as a consolidated statement of financial position supplemental to the consolidated balance sheet, income statement and cash flow statement; – as notes to group equity in the consolidated financial statements; or combined with the statement of changes in equity in the consolidated financial statements; or – as an extension of the consolidated income statement. DAS 265.202	Unlike Dutch GAAP, all entities need to present a statement of comprehensive income or a statement of profit or loss and other comprehensive income including: – profit or loss; – total other comprehensive income; – comprehensive income for the period. If an entity presents a separate statement of profit or loss it does not present the profit or loss section in the statement presenting comprehensive income. IAS 1.81A
Recycling	When a recycled item is recognised in the income statement, its previous recognition in equity shall be reversed with this reversal being recognised as separate item of income or expense in the statement of comprehensive income.	Unlike Dutch GAAP, an entity may present reclassification adjustments in the statement(s) of profit or loss and other comprehensive income or in the notes. An entity presenting reclassification adjustments in the notes presents the items of other comprehensive income

	The nature of each adjustment of recycled items shall be disclosed. DAS 265.205	after any related reclassification adjustment. IAS 1.92-96

3. Cash flow statement

	Dutch GAAP	**IFRS**
Preparation of cash flow statement	An entity shall prepare a cash flow statement. This is not, however, mandatory if all of the entity's capital is provided directly or indirectly by another entity which prepares an equivalent cash flow statement included in consolidated financial statements. The entity shall then state in the notes where those consolidated financial statements are available. NB Small and micro entities are not required to prepare a cash flow statement. DAS 360.104	Like Dutch GAAP, an entity shall prepare a cash flow statement. Unlike Dutch GAAP, this statement is an integral part of its primary financial statements and there are no exemptions to present a cash flow statement. IAS 7.1
Cash and cash equivalents	For the purposes of preparing a cash flow statement, cash and cash equivalents are defined as cash on hand, balances on bank accounts, bills of exchange and cheques, demand deposits and short-term highly liquid assets. The short-term highly liquid assets are investments that are readily convertible without restriction and with insignificant risk of a change in value as a result of the transaction. For presentation in the balance sheet, short-term highly liquid assets are not part of cash and cash equivalents ('liquide middelen'). For presentation in the balance sheet cash and cash equivalents is defined as cash in hand, balances on bank and giro accounts, bills of exchange and cheques. Deposits and suchlike may be recognised as part of cash and cash equivalents if they are in fact available on demand, albeit with loss of interest income. DAS 360.0, 102	Like Dutch GAAP, cash and cash equivalents are defined as cash on hand, demand deposits (together defined as cash) and short-term, highly liquid assets that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (cash equivalents). Unlike Dutch GAAP, the definition of cash and cash equivalents for the purposes of presentation in the balance sheet is the same as the definition of cash and cash equivalents for preparing a cash flow statement. IAS 1.54
Cash flow statement: Presentation	The cash flow statement comprises three elements: – cash flow from operating activities; – cash flow from investing activities; – cash flow from financing activities. DAS 360.201	Like Dutch GAAP, the cash flow statement shall report cash flows during the period classified by operating, investing and financing cash flows. IAS 7.10
Cash flows from operating activities	The cash flow from operating activities may be presented using either the direct or the indirect method. A cash	Like Dutch GAAP, an entity shall report cash flows from operating activities using either:

	flow statement using the direct method is most in line with the actual cash flows. DAS 360.210-212	– the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed; or – the indirect method, whereby profit or loss is adjusted fort he effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Like Dutch GAAP, entities are encouraged to report cash flows from operating activities using the direct method. IAS 7.18-20
Cash flows from investing activities	Investing activities are additions to and disposals of intangible fixed assets, tangible fixed assets, and financial assets as well as temporary investments in current assets, unless those investments are cash and cash equivalents. DAS 360.217	Unlike Dutch GAAP, IFRS explicitly prescribes that only expenditures that result in a recognised asset in the balance sheet are eligible for classification as investing activities. IAS 7.16
Foreign currency cash flows	If a cash flow is denominated in a foreign currency, translation is done at the exchange rate at the date of the transaction, or an average rate. If the indirect method is used, the cash flow from operating activities may be translated at the exchange rate used for translation of the income statement. Gains and losses arising from differences in the total net cash flow reported in the cash flow statement and the movement in cash and cash equivalents presented in the balance sheet are disclosed separately in the cash flow statement (as part of the reconciliation between the net cash flow and movement in cash and cash equivalents in the balance sheet). DAS 360.203	Like Dutch GAAP, cash flows arising from tranactions in a foreign currency shall be recorded in an entity's functional currency by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the cash flow. Cash flows demoninated in a foreign currency are reported in a manner consistent with IAS 21 'The effects of changes in foreign exchange rates'.This permits the use of of an exchange rate that approximates the actual rate. Like Dutch GAAP, unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, the effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the statement of cash flows in order to reconcile cash and cash equivalents at the beginning and the end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates. IAS 7.25-28

Interest	Cash flows from receipts of interest are classified either as cash flows from operating activities or as cash flows from investing activities. Cash flows from interest payments are classified either as cash flows from operating activities or as cash flows from financing activities. Cash flows from interest payments include the interest component in finance lease payments. DAS 360.213	Like Dutch GAAP, interest paid and interest received are usually classified as operating cash flows for a financial institution. However, there is no consensus on the classification of these cash flows for other entities. Interest paid and interest received may be classified as operating cash flows because they enter into the determination of profit or loss. Alternatively, interest paid and interest received may be classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments. IAS 7.31-33
Dividends	Cash flows from dividends received are classified either as cash flows from operating activities or as cash flows from investing activities. Cash flows from dividends paid are preferably reported as cash flows from financing activities; alternatively these cash flows may be included in cash flows from operating activities. DAS 360.213	Like Dutch GAAP, dividends received are usually classified as operating cash flows for a financial institution. However, there is no consensus on the classification of these cash flows for other entities. Dividends received may be classified as operating cash flows because they enter into the determination of profit or loss. Alternatively, dividends received may be classified as investing cash flows, because they are returns on investments. IAS 7.31-34
Income tax	Payments of income taxes and receipts from income tax refunds are included in operating activities, except to the extent that they can in practice be attributable to investing and financing activities. DAS 360.214	Like Dutch GAAP, cash flows arising from taxes on income shall be separately disclosed and shall be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities. IAS 7.35-36
Changes in ownership interests in subsidiaries	The aggregate cash flows from obtaining or losing control of consolidated participating interests are either deducted from the acquisition or selling price or stated separately as part of the reconciliation between the net cash flow and the balance sheet movement in cash and cash equivalents. DAS 360.219	Unlike Dutch GAAP, the aggregate cash flows from obtaining or losing control of subsidiaries shall be presented separately and classified as investing activities. IAS 7.39
Non-cash transactions	Revaluation of assets and unrealised foreign exchange and translation gains and losses are not presented as actual or deemed cash flows in the cash flow statement. Compound transactions and transactions where cash and cash equivalents are not exchanged are not included in the cash flow statement for their compound elements. The nature and compound elements of such	Like Dutch GAAP, investing and financing transactions that do not require the use of cash are excluded from the statement of cash flows, but separately disclosed. IAS 7.43-44

	transactions are disclosed in the notes. Transactions not involving an exchange of cash and cash equivalents include the acquisition of items of tangible fixed assets under a finance lease, the acquisition of a participating interest by the issue of shares, the conversion of debt into equity under a convertible bond loan, and the distribution of a stock dividend. DAS 360.205-206	

4. Changes in accounting policies, estimates and errors

	Dutch GAAP	**IFRS**
Absence of a standard that specifically applies	If DASs do not address a specific situation, the management shall select a treatment that provides relevant and reliable (as defined by the Framework) information for decisions made by the users of the financial statements with the other qualitative features as described in the Framework also being taken into account. DAS 110.110	Like Dutch GAAP, in the absence of an IFRS that specifically applies to a transaction, other event or condition, management shall use its judgement in developing and applying an accounting policy that results in information that is: – relevant to the economic decision-making needs of users; and – reliable, in that the financial statements: - represent faithfully the financial position, financial performance and cash flows of the entity; - reflect the economic substance of transactions, other events and conditions, and not merely the legal form; - are neutral, ie free from bias; - are prudent; and - are complete in all material respects. Unlike Dutch GAAP, in making this judgement management shall refer to, and consider the applicability of, the following sources in descending order: – the requirements in IFRS that deal with similar and related issues; and – the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Conceptual framework. In making the judgement described above, management may also consider the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework to develop accounting standards, other accounting literature and accepted industry practices, to the extent that these do not conflict with the requirements in IFRS

		that deal with similar and related issues and the Conceptual framework. IAS 8.10-12
Changes in accounting policies	An accounting policy shall only be changed if required by law or standards or if it results in a significant improvement in the view presented by the financial statements. DAS 140.206	Like Dutch GAAP, accounting policy shall be changed if the change is required by an IFRS or results in the financial statements providing reliable and more relevant information about the effects f transactions, other events or conditions on the entity's financial position, financial performance or cash flows. IAS 8.14
Accounting for changes in accounting policies	When a change is made in one or more accounting policies for measuring assets and liabilities, for the determination of result or the criteria on the requirement for or acceptability of direct movements in equity, it shall be applied retrospectively unless a specific standard requires or permits different treatment. This means that: – equity at the beginning of the previous reporting period shall be recalculated using the changed accounting policies; and – the difference between equity at the beginning of the previous reporting period before and after recalculation (the cumulative effect) shall be recognised as a direct movement in equity (in Other reserves, unless the law or a standard specifies a different component of equity) at the beginning of the reporting period in which the change in accounting policy is applied, taking into account taxes on profit. DAS 140.208	Like Dutch GAAP, a change in accounting policy shall be applied retrospectively. However, IFRS make it clear that retrospective application means that an entity shall adjust the opening balance of each affected component of equity for the earliest period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied. IAS 8.19
Changes in accounting estimates	The effect of a change in accounting estimate shall be recognised in profit or loss in: – the period of the change, if the change affects that period only; – the period of the change and future periods, if the change affects both (i.e. the current and future periods). A change in accounting estimate may not be recognised retrospectively. To the extent that, at the date of the change, a change in an accounting estimate only affects items in the balance sheet (the change in accounting estimate only gives rise to	Like Dutch GAAP, a change in an accounting estimate shall be recognised prospectively by including it in profit or loss in: – the period of the change, if the change affects that period only; or – the period of the change and future periods, if the change affects both. Like Dutch GAAP, to the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

	changes in assets and liabilities, or relates to a component of equity), it shall be recognised by adjusting the carrying amount of the related asset, liability or equity component in the period of the change. DAS 145.301	IAS 8.36-38
Correction of errors	An entity shall correct a material error that affects equity as follows: – the equity at the end of the previous reporting period shall be recomputed as if the error had not occurred; and – the difference between the equity at the end of the previous reporting period before and after correction (cumulative effect) shall be recognised as a direct movement in equity at the beginning of the reporting period in which the correction is made. DAS 150.202	Like Dutch GAAP, an entity shall correct material prior period errors retrospectively. However, IFRS make it clear that retrospective application means that an entity shall adjust the opening balance of each affected component of equity for the earliest period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied. IAS 8.42
Fundamental errors	If after the financial statements have been adopted there is an error such that the financial statements are seriously defective in providing the view required by article 2:362(1) DCC (so called 'fundamental error'), article 2:362(6) DCC requires that the management board of the entity has to notify the members or shareholders of this fundamental error. The management board has to file a statement to that effect at the offices of the trade registry. The statement must be accompanied by an auditor's report if the financial statements have been audited pursuant to article 2:393 DCC. Article 2:362(6) DCC	Unlike Dutch GAAP, IFRS do not contain such a requirement. However, if IFRS are applied by a Dutch entity under Title 9 article 2:362(6) DCC requires that the management board of the entity has to notify the members or shareholders of a fundamental error. A fundamental error is an error such that the financial statements fail seriously to provide the view required by article 2:362(1) DCC. We stress that not every material error classifies as a fundamental error. Article 2:362(6) DCC

5. Events after the reporting period

	Dutch GAAP	IFRS
Adjusting events after the reporting period	Events occurring after the reporting period until the date the financial statements are prepared (authorised for issue) and that provide further information on the actual situation on the reporting date shall be recognised when preparing the financial statements. DAS 160.201	Like Dutch GAAP, an entity shall adjust the amounts recognised in its financial statements to reflect adjusting events after the reporting period. IAS 10.8
Non-adjusting events after the reporting period	Events occurring after the reporting period and that do not provide further information on the actual situation on the balance sheet shall not be recognised in the financial statements unless they are of great significance to the entity because they mean that the going concern assumption no longer applies and the financial statements shall be prepared on the basis of liquidation of all the entity's activities. However, there are some exemptions regarding the accounting for dividend distribution, the classification of liabilities as short-term or long-term and the recognition of restructuring provisions. If non-adjusting events after the reporting date are material, non-disclosure could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting period: – the nature of the event; and – an estimate of its financial effect, or a statement that such an estimate cannot be made. DAS 160.206, 404	Like Dutch GAAP, an entity shall not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting period unless management determines after the reporting period either that it intends to liquidate the entity or to cease trading, or that it has not realistic alternative but to do so. In that case the entity shall not prepare its financial statements on a going concern basis. However, IFRS do not contain other exemptions. Like Dutch GAAP, if non-adjusting events after the reporting period are material, non-disclosure could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. Accordingly, an entity shall disclose the following for each material category of non-adjusting event after the reporting period: – the nature of the event; and – an estimate of its financial effect, or a statement that such an estimate cannot be made. IAS 10.10, 14, 21
Dividends	If the dividend distribution to holders of equity instruments is declared after the reporting period, the entity shall: – not recognise the proposed amount of the dividend distribution as a liability in the balance sheet; in that case the result for the reporting period is recognised as a separate item in equity (article 2:373(1) DCC); the proposed	Unlike Dutch GAAP, IFRS require that dividends declared to holders of equity instruments as defined in IAS 32 after the reporting period shall not be recognised as a liability at the end of the reporting period because no obligation exists at that time. Such dividends are disclosed in the notes in accordance with IAS 1. IAS 10.12, 13

	amount of the dividend distribution is disclosed in the notes (article 2:380c DCC); – recognise the proposed amount of the dividend distribution in the balance sheet as a separate component of equity; or – recognise the proposed amount of the dividend distribution in the balance sheet in other liabilities. DAS 160.208	

6. Foreign currency

	Dutch GAAP	IFRS

Functional currency	When preparing its financial statements, an entity shall determine its functional currency. The functional currency is the currency of the economic environment in which the entity operates. The functional currency is determined irrespective of whether there is an autonomous entity, an entity with foreign operations (such as a parent) or a foreign operation (such as a group company, branch or permanent establishment).
	
	Once determined, the functional currency shall not be changed unless there is a change in the underlying transactions, events and conditions. The primary economic environment in which an entity operates is normally the one in which it primarily generates and expends cash. An entity considers the following factors in determining its functional currency:
	– the currency:
	  – that mainly influences sales prices for goods and services (this will often be the currency in which sales prices for its goods and services are denominated and settled); and
	  – of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.
	– the currency that mainly influences labour, material and other costs of providing goods or services (this will often be the currency in which such costs are denominated and settled).
		Like Dutch GAAP, the functional currency is the currency of the primary economic environment in which the entity operates.
		Like Dutch GAAP, an entity's functional currency reflects the underlying transactions, events and conditions that are relevant to it. Accordingly, once determined, the functional currency is not changed unless there is a change in those underlying transactions, events and conditions.
		Like Dutch GAAP, the primary economic environment in which an entity operates is normally the one in which it primarily generates and expends cash. An entity considers the following factors in determining its functional currency:
		– the currency:
		  – that mainly influences sales prices for goods and services (this will often be the currency in which sales prices for its goods and services are denominated and settled); and
		  – of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services.
		– the currency that mainly influences labour, material and other costs of providing goods or services (this will often be the currency in which such costs are denominated and settled).
		
		The following factors may also provide evidence of an entity's functional currency:
		– the currency in which funds from financing activities (ie issuing debt and equity instruments) are generated.

	The following factors may also provide evidence of an entity's functional currency: – the currency in which funds from financing activities (ie issuing debt and equity instruments) are generated. – the currency in which receipts from operating activities are usually retained. DAS 122.0, 105, 106, 110	– the currency in which receipts from operating activities are usually retained. IAS 21.8, 9, 10, 13
Reporting foreign currency transactions in the functional currency	A foreign currency transaction shall be recorded on initial recognition in the functional currency at the spot rate between the functional currency and the foreign currency at the date of the transaction. At each reporting date: – foreign currency monetary balance sheet items shall be translated using the closing rate of the functional currency; – non-monetary balance sheet items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate of the functional currency at the date of the transaction or an approximation; – non-monetary balance sheet items that are measured at current value in a foreign currency shall be translated using the exchange rate of the functional currency at the date when the current value was determined. Exchange rate differences arising on the settlement of monetary items or on translating foreign currency monetary items shall be recognised in profit or loss in the period in which they arise, except as exchange rate differences arising on the translation of a monetary item that forms part of an entity's net investment in a foreign operation. DAS 122.201, 203, 207, 211	Like Dutch GAAP, a foreign currency transaction shall be recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Like Dutch GAAP, at the end of each reporting period: – foreign currency monetary items shall be translated using the closing rate; – on-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction; and – non-monetary items that are measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was measured. Like Dutch GAAP, exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise, except as exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation. IAS 21.21, 23, 28
Exchange rate differences arising on the translation of a monetary item that forms part of an entity's net investment in a foreign operation	Exchange rate differences arising on the translation of a monetary item that forms part of an entity's net investment in a foreign operation shall be recognised in the foreign exchange translation reserve in equity. A group company which has received a loan from the parent shall recognise any translation differences in profit or loss, even if the loan is recognised by	Like Dutch GAAP, exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation shall be recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (eg consolidated financial statements

	the parent as part of the net investment in a foreign operation. Article 2:389(8) DCC DAS 122.211-213	when the foreign operation is a subsidiary), such exchange differences shall be recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment. Like Dutch GAAP, when a monetary item forms part of a reporting entity's net investment in a foreign operation and is denominated in the functional currency of the reporting entity, an exchange difference arises in the foreign operation's individual financial statements which shall be recognised in profit or loss by the foreign operation. If such an item is denominated in the functional currency of the foreign operation, an exchange difference arises in the reporting entity's separate financial statements. If such an item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, an exchange difference arises in the reporting entity's separate financial statements and in the foreign operation's individual financial statements. Such exchange differences are recognised in other comprehensive income in the financial statements that include the foreign operation and the reporting entity (ie financial statements in which the foreign operation is consolidated or accounted for using the equity method). IAS 21.32, 33
Presentation currency	The currency in which the financial statements are presented. The financial statements may be drawn up in a foreign currency. An entity may present its financial statements in a currency other than its functional currency if justified by the activity of the entity or the international branching of its group. DAS 122.301	Unlike Dutch GAAP, an entity may presents its financial statements in any currency (or currencies). IAS 21.38
Translation to the presentation currency	The results and financial position of an entity whose functional currency is not the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures: – assets and liabilities for each balance sheet presented (i.e. including comparative figures) shall be translated at the closing rate at the date of that balance sheet;	Like Dutch GAAP, the results and financial position of an entity whose functional currency is not the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures: – assets and liabilities for each statement of financial position presented (ie including comparatives) shall be translated at the closing rate at the date of that statement of financial position;

	– income and expenses for each profit or loss account (i.e. including comparative figures) shall be translated at exchange rates at the dates of the transactions; and translation differences arising from (a) and (b) shall be recognised in the foreign exchange translation reserve as part of equity. DAS 122.302	– income and expenses for each statement presenting profit or loss and other comprehensive income (ie including comparatives) shall be translated at exchange rates at the dates of the transactions; and – all resulting exchange differences shall be recognised in other comprehensive income. IAS 21.39
Goodwill and fair value adjustments	Any goodwill arising on the acquisition of a foreign operation must be treated: – as asset or liability (in case of negative goodwill) of the foreign operation, translated at the closing rate; or – as asset or liability (in case of negative goodwill) of the entity expressed in the functional currency of the entity, or classified as a non-monetary item in foreign currency and recognised at the exchange rate at the date of the transaction. Any adjustment to the fair value of other assets and liabilities at the time of that acquisition, including the adjustment of assets or liabilities recognised initially (including intangible fixed assets not capitalised by the investee itself), shall be translated at the closing rate. This means that the entire carrying amount of an asset or liability of a foreign operation, as determined by the participating entity, is translated at the closing rate. DAS 122.310	Unlike Dutch GAAP, goodwill shall be treated as an asset of the foreign operation. As a consequence goodwill shall be expressed in the functional currency of the foreign operation and shall be translated at the closing rate. Like Dutch GAAP, any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation shall be treated as assets and liabilities of that foreign operation. IAS 21.47
Translation into the presentation currency in the event of hyperinflation	The results and financial position of a foreign operation whose functional currency is the currency of a hyperinflationary country shall be translated into the presentation currency using the following procedures: – balance sheet items and items in the income statement shall be expressed in purchasing power units of the entity's functional currency at the reporting date in order to reflect the effects of price increases. The resultant positive or negative result on the net monetary position shall be recognised in the income statement and quantified separately;	Like Dutch GAAP, the results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures: – all amounts (i.e. assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate of the most recent statement of financial position, except that – when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes

	– the restated results and financial position are then translated into the entity's presentation currency at the exchange rate at the reporting date. The translation differences arising from this are recognised directly in equity; – the comparative figures shall be the figures presented for the reporting period in the financial statements of the previous period (i.e. the comparative figures, if prepared in the presentation currency of a county without hyperinflation, are not restated for price changes or subsequent exchange rate movements during the reporting period). DAS 122.312	in the price level or subsequent changes in exchange rates). IAS 21.42
Disposal of a foreign operation	On the disposal of a foreign operation, the cumulative amount of the translation differences held in the foreign exchange translation reserve is released. These cumulative translation differences must be recognised in profit or loss at the time of disposal as part of the result on the disposal of the business abroad. DAS 122.311	Like Dutch GAAP, on the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified to profit or loss when the gain or loss on disposal is recognised. Unlike Dutch GAAP, IFRS contain additional provisions relating to the following partial disposals which are accounted for as disposals: – when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation, regardless of whether the entity retains a non-controlling interest in its former subsidiary after the partial disposal; and – when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation. On disposal of a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation that have been attributed to the non-controlling interests shall be derecognised, but shall not be reclassified to profit or loss. On the partial disposal of a subsidiary that includes a foreign operation, the entity shall re-attribute the proportionate

		share of the cumulative amount of the exchange differences recognised in other comprehensive income to the non-controlling interests in that foreign operation. In any other partial disposal of a foreign operation the entity shall reclassify to profit or loss only the proportionate share of the cumulative amount of the exchange differences recognised in other comprehensive income. A partial disposal of an entity's interest in a foreign operation is any reduction in an entity's ownership interest in a foreign operation, except when the partial disposal involves the loss of control of a subsidiary and when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation. These disposals are accounted for as disposals and not as partial disposals. IAS 21.48-48D

7. Intangible assets

	Dutch GAAP	**IFRS**
Definition	An intangible asset is an identifiable non-monetary asset without physical substance. DAS 210.0	Like Dutch GAAP, an intangible asset is an identifiable non-monetary asset without physical substance. IAS 38.8
Initial recognition	An intangible fixed asset shall be recognised in the balance sheet if, and only if: – it is probable that the future economic benefits that are attributable to the asset will flow to the entity; and – the cost of the asset can be measured reliably. DAS 210.201	Like Dutch GAAP, an intangible asset shall be recognised if, and only if: – it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and – the cost of the asset can be measured reliably. IAS 38.21
Initial measurement	An intangible fixed asset eligible for recognition as an asset shall be measured on initial recognition at cost, being the cost of conversion or purchase price. DAS 210.203	Like Dutch GAAP, an intangible asset shall be measured initially at cost. IAS 38.24
Subsequent expenditures	Subsequent expenditures relating to intangible fixed assets shall be accounted for as (part of) the cost of an intangible fixed asset if it meets the recognition criteria.	Like Dutch GAAP, expenditure on an intangible item shall be recognised as an expense when it is incurred unless:

	DAS 210.303	– it forms part of the cost of an intangible asset that meets the recognition criteria; or – the item is acquired in a business combination and cannot be recognised as an intangible asset. If this is the case, it forms part of the amount recognised as goodwill at the acquisition date (see IFRS 3). IAS 38.68
Research costs	Expenditure on research (or on the research phase of an internal project) shall be recognised in profit or loss when incurred. DAS 210.221	Like Dutch GAAP, no intangible asset arising from research (or from the research phase of an internal project) shall be recognised. Expenditure on research (or on the research phase of an internal project) shall be recognised as an expense when it is incurred. IAS 38.54
Development costs	Intangible fixed assets arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of the following: – the technical feasibility of completing the intangible fixed asset so that it will be available for use or sale; – his intention to complete the intangible fixed asset and to use or sell it; – his ability to use or sell the intangible fixed asset; – how the intangible fixed asset will generate probable future economic benefits. Among other things, the entity shall show that there is a market for the goods or services created by the intangible fixed asset or for the intangible fixed asset itself or, if the intangible fixed asset is to be used internally, the usefulness of the intangible fixed asset; – the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible fixed asset; and – its ability to measure reliably the expenditure attributable to the intangible fixed asset during its development. DAS 210.224	Like Dutch GAAP, an intangible asset arising from development (or from the development phase of an internal project) shall be recognised if, and only if, an entity can demonstrate all of the following: – the technical feasibility of completing the intangible asset so that it will be available for use or sale. – its intention to complete the intangible asset and use or sell it. – its ability to use or sell the intangible asset. – how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset. – the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset. – its ability to measure reliably the expenditure attributable to the intangible asset during its development. IAS 38.57

Internally generated goodwill	Internally generated goodwill shall not be recognised as an asset. DAS 210.216	Like Dutch GAAP, internally generated goodwill shall not be recognised as an asset. IAS 38.48
Internally generated brands, logos, publishing titles, customer lists and items similar	Internally generated brands, logos, publishing titles, customer lists and items similar in substance shall not be recognised as intangible fixed assets. DAS 210.229	Like Dutch GAAP, internally generated brands, mastheads, publishing titles, sustomer lists and items similar in substance shall not be recognised as intangible assets. IAS 38.63
Website costs	A website arising from development must be recognised as an intangible fixed asset if, and only if, it complies with the recognition criteria and the specific recognition criteria with respect to the development phase. An entity meets the requirements if it can demonstrate how the website will generate future economic benefits, for example, because the website is capable of generating revenues, including direct revenues from enabling orders to be placed. If an entity has only developed the website for promoting and advertising its own products and services, an entity is not able to demonstrate that there will be future economic benefits. All expenditure incurred in the development of the website must be recognised as an expense profit or loss. DAS 210.Appendix	Like Dutch GAAP. SIC 32
Examples of expenditure to be recognised as expenses	Examples of expenditure that is recognised as an expense at the time of the delivery of goods or the rendering of services include: – start-up costs, unless this expenditure is included in the cost of real estate, machinery and fixtures and fittings. Start-up costs may consist of expenditure to open a new facility or business or expenditures for starting new operations or launching new products or processes; – expenditure on training activities; – expenditure on advertising and promotional activities (such as mail order catalogues, folders and holiday brochures); – expenditure on relocating or reorganising part or all of an entity. DAS 210.235	Like Dutch GAAP, in some cases, expenditure is incurred to provide future economic benefits to an entity, but no intangible asset or other asset is acquired or created that can be recognised. In the case of the supply of goods, the entity recognises such expenditure as an expense when it has a right to access those goods. In the case of the supply of services, the entity recognises the expenditure as an expense when it receives the services. For example, expenditure on research is recognised as an expense when it is incurred, except when it is acquired as part of a business combination. Other examples of expenditure that is recognised as an expense when it is incurred include: – expenditure on start-up activities (ie start-up costs), unless this expenditure is included in the cost of an item of property, plant and equipment in accordance with IAS

		16. Start-up costs may consist of establishment costs such as legal and secretarial costs incurred in establishing a legal entity, expenditure to open a new facility or business (ie pre-opening costs) or expenditures for starting new operations or launching new products or processes (ie pre-operating costs). – expenditure on training activities. – expenditure on advertising and promotional activities (including mail order catalogues). – expenditure on relocating or reorganising part or all of an entity. IAS 38.69
Past expenses	Expenditure on an intangible item that were recognised as an expense by the entity in earlier financial statements or interim reports shall not be recognised as part of the cost of an intangible fixed asset at a later date. DAS 210.237	Like Dutch GAAP, expenditure on an intangible item that was initially recognised as an expense shall not be recognised as part of the cost of an intangible asset at a later date. IAS 38.71
Subsequent measurement	Intangible fixed assets may be accounted for using a cost model or, in limited cases, a revaluation model. DAS 210.301	Like Dutch GAAP, intangible assets may be accounted for using a cost model or, in limited cases, a revaluation model. IAS 38.72
Conditions to apply the revaluation model	Intangible fixed assets may only be measured at the current value if: – the asset has been measured at cost from the time of recognition in the balance sheet (this concerns initial measurement on acquisition); and – there is a liquid market for the asset. There is a liquid market if the assets concerned are homogenous, willing buyers and sellers can be found at any time and the transaction prices are published. DAS 210.301	Like Dutch GAAP, if an intangible asset has a quoted market price in an active market, a revaluation model can be used. IFRS speak about active market instead of liquid market. However, the meaning is the same. IFRS define an active market as a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. IFRS state that it is uncommon for an active market to exist for an intangible asset. In some jurisdictions, an active market may exist for freely transferable taxi licences, fishing licences or production quotas. IAS 38.75, 78
Revaluation model	If an intangible fixed asset is measured after recognition using the current value model, the asset shall be measured at the lower of the current costs and the recoverable amount. If intangible fixed assets, other than investments, are carried at current value, the increase in value is recognised in a revaluation reserve	Like Dutch GAAP, an intangible asset is carried at fair value at revaluation date less any subsequent amortisation or impairment. Revaluations must be carried out regularly. All items of a given class are revalued (unless there is no active market for a particular asset).

	pursuant to article 2:390(1) DCC. This revaluation reserve is formed and maintained for each individual asset. This means that a revaluation reserve is formed for each intangible fixed asset. If the current value of an asset falls below the original cost of conversion or purchase price (less amortisation), the reduction in value must be recognised in profit or loss. Article 2:390 DCC DAS 210.306, 307	Revaluation increases are recognised in other comprehensive income and accumulated in equity. Revaluation decreases are charged first against the revaluation surplus in equity related to the specific asset, and any excess against profit or loss. When the revalued asset is disposed of, the revaluation surplus remains in equity and is not reclassified to profit or loss. IAS 38.75-87
Revalued amount	The revalued amount is the current costs which is defined as: – the current purchase price; or, – the current costs of conversion; both less accumulated depreciation. Subsequently, the new carrying amount shall be depreciated and tested for impairment if there is an indication for impairment. Current costs concerns the measurement of the asset itself and not the valuation of a possible substitute asset. The choice of current purchase price or current costs of conversion shall be in line with the manner in which the entity obtained the asset. The current purchase price of an asset shall be based on the amount that an entity would pay to acquire that asset on the date of revaluation if the asset were as old as at the date of the original acquisition, increased by the estimated current associated costs of acquisition. DAS 210.306 DAS 212.404-408	Like Dutch GAAP, the revalued amount is the fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. IAS 38.75
Finite or indefinite useful life	All intangible fixed assets are considered to have a finite useful life. DAS 210.401	Unlike Dutch GAAP, intangible assets are classified as having either a finite or indefinite useful life. Indefinite means that there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows, not infinite. IAS 38.88
Intangible assets with finite useful life	Intangible fixed assets shall be amortised systematically over their estimated useful life. There is a rebuttable presumption that the maximum useful life of an intangible fixed asset is twenty years from the time asset is available for use. Amortisation shall begin when the asset is available for use. In exceptional cases where the useful life of development expenditure and	Like Dutch GAAP, intangible assets with a finite useful life shall be amortised. Unlike Dutch GAAP, goodwill is not amortised and there exists no presumptions regarding the length of the amortisation period. IAS 38.97, 98

	goodwill cannot be determined reliably, the costs must be amortised over a period of no more than ten years. Article 2:386(6) DCC DAS 210.401, 402	
Intangible assets with indefinite useful life	Not applicable. All intangible assets are considered to have a finite useful life. DAS 210.401	Unlike Dutch GAAP, intangible assets with indefinite useful lives are not amortised but are tested for impairment on an annual basis. IAS 38.107
Impairment testing	Impairment testing is required whenever there is an indication that the carrying amount exceeds the recoverable amount of the intangible asset. Impairment testing is also required for the following intangible fixed assets at the end of each reporting period: – an intangible fixed asset that has not yet been taken into use; – an intangible fixed asset being amortised over an expected useful life exceeding twenty years from the time asset is available for use. DAS 210.419	Like Dutch GAAP, impairment testing is required whenever there is an indication that the carrying amount exceeds the recoverable amount of the intangible asset. In addition, impairment testing is required when an intangible asset has an indefinite useful life. IAS 38.108, 111

Residual value	The residual value of an intangible fixed asset with a finite useful life shall be assumed to be nil unless:
	– there is a commitment by a third party to purchase the asset at the end of its useful life; or
	– there is an active market for the asset and:
	  – residual value can be determined by reference to that market; and
	  – it is probable that such a market will exist at the end of the asset's useful life.
	
	DAS 210.413
		Like Dutch GAAP, the residual value of an intangible asset with a finite useful life shall be assumed to be zero unless:
		– there is a commitment by a third party to purchase the asset at the end of its useful life; or
		– there is an active market (as defined in IFRS 13) for the asset and:
		  – residual value can be determined by reference to that market; and
		  – it is probable that such a market will exist at the end of the asset's useful life.
		
		IAS 38.100

Amortisation method	The amortisation method used shall reflect the pattern in which the asset's future economic benefits accrue to an entity. If that pattern cannot be determined reliably, the straight-line method shall be used. The amortisation charge for each period shall be recognised through profit or loss unless this or another standard permits or requires it to be included in the carrying amount of another asset. DAS 210.411	Like Dutch GAAP, a variety of amortisation methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. These methods include the straight-line method, the diminishing balance method and the units of production method. The method used is selected on the basis of the expected pattern of consumption of the expected future economic benefits embodied in the asset and is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits.

		In addition, IFRS explain that there is a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate. The presumption can be overcome only in the limited circumstances: – in which the intangible asset is expressed as a measure of revenue; or – when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. IAS 38.98, 98A-C
Review of useful life and amortisation method	The useful life and amortisation method shall be reviewed at least at the end of each reporting period. If there are significant changes in the useful life and/or accrual of economic benefits to an entity, the amortisation period or amortisation method shall be reviewed. Such changes shall be accounted for as changes in accounting estimates in accordance with DAS 145. DAS 210.416	Like Dutch GAAP, the amortisation period and the amortisation method for an intangible asset with a finite useful life shall be reviewed at least at each financial year-end. If the expected useful life of the asset is different from previous estimates, the amortisation period shall be changed accordingly. If there has been a change in the expected pattern of consumption of the future economic benefits embodied in the asset, the amortisation method shall be changed to reflect the changed pattern. Such changes shall be accounted for as changes in accounting estimates in accordance with IAS 8. IAS 38.104
End of amortisation	Amortisation shall stop when the asset has been fully amortised. DAS 210.411	Like Dutch GAAP, amortisation of an intangible asset with a finite useful life shall stop when the asset has been fully depreciated or is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5. IAS 38.97
Decommisioning or disposal	An intangible fixed asset shall be derecognised when no future economic benefits are expected. The gain or loss arising from the decommissioning or disposal of an intangible fixed asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and shall be recognised through profit or loss. DAS 210.423, 424	Like Dutch GAAP, an intangible asset shall be derecognised: – on disposal; or – when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognised in profit or loss when the asset is derecognised (unless IFRS 16 requires otherwise on a sale and

		leaseback). Gains shall not be classified as revenue. IAS 38.112, 113

8. Tangible fixed assets

	Dutch GAAP	IFRS
Definition	A tangible fixed asset is an asset: – held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and – which are expected to serve the exercise of the activity of the entity on a permanent basis (for more than one period). DAS 212.0	Like Dutch GAAP, property, plant and equipment are tangible items that: – are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and – are expected to be used during more than one period. IAS 16.6
Initial recognition	The cost of a tangible fixed asset shall be recognised as an asset if: – it is probable that future economic benefits associated with the item will flow to the entity; and – the cost of the item can be measured reliably. DAS 212.201	Like Dutch GAAP, che cost of an item of property, plant and equipment shall be recognised as an asset if, and only if: – it is probable that future economic benefits associated with the item will flow to the entity; and – the cost of the item can be measured reliably. IAS 16.7
Subsequent expenditures	Subsequent expenditure shall be accounted for as (part of) the cost of the investment property if it meets the recognition criteria. DAS 212.206	Like Dutch GAAP, an entity does not recognise in the carrying amount of an item of property, plant and equipment the costs of the day-to-day servicing of the item. Rather, these costs are recognised in profit or loss as incurred. Costs of day-to-day servicing are primarily the costs of labour and consumables, and may include the cost of small parts. The purpose of these expenditures is often described as for the 'repairs and maintenance' of the item of property, plant and equipment. Parts of some items of property, plant and equipment may require replacement at regular intervals. An entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognised in accordance with the derecognition provisions of IAS 16. IAS 16.12
Initial measurement	A tangible fixed asset that qualifies for recognition as an asset shall initially be measured at its cost. The cost of a tangible fixed asset comprises the	Like Dutch GAAP, an item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost.

	purchase price or cost of conversion and other costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. If payment of the cost of a tangible fixed asset is made on longer than normal payment terms, the cost of the asset shall be based on the present value of the obligation. DAS 212.301, 302	The cost of an item of property, plant and equipment comprises: – its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. – any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. – the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. IAS 16.15, 16
Exchange of tangible fixed assets	If a tangible fixed asset is acquired in exchange for a non-monetary asset, the cost of such a tangible fixed asset shall be determined on the basis of fair value, but only if: – the exchange transaction leads to a change in economic conditions; and – the fair value of the acquired asset or the asset given up can be reliably measured. If the acquired item cannot be measured at fair value, the cost is the carrying amount of the asset given up. Whether an exchange transaction leads to a change in economic conditions is determined by considering whether and to what extent its future cash flows are expected to change as a result of the transaction. An exchange transaction leads to a change in economic conditions if: – the configuration (risk, timing and amount) of the cash flows of the asset received differs from the configuration of the cash flows of the asset transferred; or – the value in use of the portion of the operations affected by the transaction changes as a result of the exchange; and – the differences above are significant relative to the fair value of the assets exchanged.	Like Dutch GAAP, the cost of an item acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets is measured at fair value unless: – the exchange transaction lacks commercial substance; or – the fair value of neither the asset received nor the asset given up is reliably measurable. The acquired item is measured in this way even if an entity cannot immediately derecognise the asset given up. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up. Like Dutch GAAP, an entity determines whether an exchange transaction has commercial substance by considering the extent to which its future cash flows are expected to change as a result of the transaction. An exchange transaction has commercial substance if: – the configuration (risk, timing and amount) of the cash flows of the asset received differs from the configuration of the cash flows of the asset transferred; or – the entity-specific value of the portion of the entity's operations affected by the transaction changes as a result of the exchange; and – one of the differences above is significant relative to the fair value of the assets exchanged.

	DAS 212.309, 310	For the purpose of determining whether an exchange transaction has commercial substance, the entity-specific value of the portion of the entity's operations affected by the transaction shall reflect post-tax cash flows. The result of these analyses may be clear without an entity having to perform detailed calculations. IAS 16.24-26
Subsequent measurement	After initial recognition, tangible fixed assets shall be measured in accordance with: – the cost model; or – the revaluation model. The revalued amount is current costs. The current costs is the current purchase price or the current costs of conversion less accumulated depreciation at the date of revaluation. Subsequently, the new carrying amount shall be depreciated and tested for impairment if there is an indication for impairment. DAS 212.401, 403	Like Dutch GAAP, after initial recognition, property, plant and equipment shall be measured in accordance with: – the cost model; or – the revaluation model. Unlike Dutch GAAP, the revalued amount is the fair value at the date of revaluation. Subsequently, the new carrying amount shall be depreciated and tested for impairment if there is an indication for impairment. IAS 16.29, 31
Cost model	If, after initial recognition, an item of tangible fixed assets is measured using the cost model, the asset shall be carried at its cost less any accumulated depreciation and accumulated impairment losses. DAS 212.402	Like Dutch GAAP, if, after recognition as an asset, an item of property, plant and equipment is measured using the cost model, the asset shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses. IAS 16.30
Revaluation model	If a tangible fixed asset is measured after recognition using the current value model, the asset shall be measured at the lower of the current costs and the recoverable amount. If tangible fixed assets, other than investments, are carried at current value, the increase in value is recognised in a revaluation reserve pursuant to article 2:390(1) DCC. This revaluation reserve is formed and maintained for each individual asset. This means that a revaluation reserve is formed for each intangible fixed asset. If the current value of an asset falls below the original cost of conversion or purchase price (less amortisation), the reduction in value must be recognised in profit or loss. Current value shall be determined regularly to ensure that the carrying amount does not differ materially from the current value on the reporting date.	Unlike Dutch GAAP, if, after recognition as an asset, an item of property, plant and equipment is measured using the revaluation model, the asset is carried at fair value at revaluation date less any subsequent amortisation or impairment. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and

	Article 2:390 DCC DAS 212.403, 408	equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years. Revaluation increases are recognised in other comprehensive income and accumulated in equity. Revaluation decreases are charged first against the revaluation surplus in equity related to the specific asset, and any excess against profit or loss. When the revalued asset is disposed of, the revaluation surplus remains in equity and is not reclassified to profit or loss. IAS 16.31, 34, 39, 40
Revalued amount	The revalued amount is the current costs which is defined as: – the current purchase price; or, – the current costs of conversion; both less accumulated depreciation. Subsequently, the new carrying amount shall be depreciated and tested for impairment if there is an indication for impairment. Current costs concerns the measurement of the asset itself and not the valuation of a possible substitute asset. The choice of current purchase price or current costs of conversion shall be in line with the manner in which the entity obtained the asset. The current purchase price of an asset shall be based on the amount that an entity would pay to acquire that asset on the date of revaluation if the asset were as old as at the date of the original acquisition, increased by the estimated current associated costs of acquisition. For land and sites, the current purchase price can generally be based on the market value of the land and sites concerned, as these assets often have an indefinite useful life. The current costs of conversion shall be based on the expenses that an entity would incur if the asset were to be constructed on the date of revaluation. The attribution of costs, including the system of allocation of any indirect costs and borrowing costs shall be in line with the system applied by an entity on the date of revaluation.	Unlike Dutch GAAP, the revalued amount is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is determined applying the provisions of IFRS 13. IAS 16.6, 31

	DAS 212.404, 405	
Depreciation	Items of tangible fixed assets with a limited useful life shall be depreciated separately. The depreciation method shall be based on the expected consumption pattern of the asset in accordance with the consumption of future economic benefits from the asset. If the expected consumption pattern of the future economic benefits from the asset changes significantly, the method shall be changed to reflect the changed pattern. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. Depreciation shall begin when the asset is available for its intended use. Depreciation shall cease when the asset is taken out permanently of use or is divested. DAS 212.417-427	Like Dutch GAAP, items of property, plant and equipment with a limited useful life shall be depreciated separately. The depreciation method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. Depreciation of an asset begins when it is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognised. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. IAS 16.43-60
Depreciation of components	If significant parts of an item of property, plant or equipment can be distinguished and have different useful lives or expected consumption patterns, those parts shall be depreciated separately. Major maintenance is treated as a separate component if an entity has not chosen to use a maintenance provision. DAS 214.418	Unlike Dutch GAAP, it is not possible to recognise a maintenance provision for major maintenance costs. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item (including recognised maintenance costs) shall be depreciated separately. An entity allocates the amount initially recognised in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. A significant part of an item of property, plant and equipment may have a useful life and a depreciation method that are the same as the useful life and the depreciation method of another significant part of that same item. Such parts may be grouped in determining the depreciation charge. IAS 16.43-45
Review of useful life and/or the residual value	The useful life and/or the residual value of an asset shall only be reviewed if there are changes in circumstances or new information on	Unlike Dutch GAAP, the useful life and the residual value of an asset shall be reviewed at least at each year-end and if

	the remaining useful life and/or residual value becomes available. DAS 212.428	expectations differ from previous estimates. IAS 16.61
Restoration costs	If there are costs associated with an obligation for dismantling and removing an item of tangible fixed assets and restoring the site on which it is located (restoration costs), and this obligation is created by the acquisition or development of the asset, the costs necessary for settling the obligation are treated: – as part of the carrying amount of the asset; or – by recognising a provision for restoration costs over the useful life of the asset. The accounting treatment for restoration costs shall be the same for similar items of tangible fixed assets of the entity. DAS 212.435-444	Unlike Dutch GAAP, at initial recognition costs associated with an obligation for dismantling and removing an item of property, plant and equipment and restoring the site on which it is located (restoration costs), and this obligation is created by the acquisition or development of the asset, are recognised as part of the cost of an item of property, plant and equipment and are recognised as a provision in accordance with IAS 37. IAS 16.16 IAS 37 IFRIC 1
Major maintenance	If a tangible fixed asset repeatedly undergoes major maintenance after a long period of use, the costs directly related to the major maintenance are recognised: – in the carrying amount of the asset, if the criteria for recognition in the balance sheet are met (component approach); or – through a maintenance provision. Examples of major maintenance are regular inspections, overhaul and renovation of an asset. Replacement of a specific component of an asset is not major maintenance. DAS 212.445	Unlike Dutch GAAP, it is not allowed to recognise a provision for maintenance costs because the definition of a liability is not met. IAS 37.14
Impairment testing	Impairment testing is required whenever there is an indication that the carrying amount exceeds the recoverable amount of the tangible fixed asset. DAS 212.453 DAS 121	Like Dutch GAAP, to determine whether an item of property, plant and equipment is impaired, an entity applies IAS 36. Impairment testing is required whenever there is an indication that the carrying amount exceeds the recoverable amount of the tangible fixed asset. IAS 16.63 IAS 36
Decommissioning or disposal	A tangible fixed asset is no longer recognised in the balance sheet: – on disposal; or – when no future economic benefits are expected from its use or disposal.	Like Dutch GAAP, the carrying amount of an item of property, plant and equipment shall be derecognised: – on disposal; or – when no future economic benefits are expected from its use or disposal.

	When an item of tangible fixed assets is derecognised, the gain or loss arising from its disposal shall be included in profit or loss. The result arising from the disposal of an item of tangible fixed assets shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Gains shall not be classified as revenue. However, an entity that, in the course of its ordinary activities, routinely sells items of property, plant and equipment may present the proceeds from the sale of such assets as revenue in accordance with DAS 270. The consideration receivable on disposal of a tangible fixed asset is generally recognised at its fair value. If payment for the item is deferred, the consideration received is generally recognised at the cash price equivalent. The difference between the nominal amount of the consideration and its cash price equivalent is recognised as interest revenue, at the effective yield on the receivable. DAS 212.505, 506, 509, 510 DAS 270.201	The gain or loss arising from the derecognition of an item of property, plant and equipment shall be included in profit or loss when the item is derecognised (unless IFRS 16 Leases requires otherwise on a sale and leaseback). Like Dutch GAAP, gains shall not be classified as revenue. However, unlike Dutch GAAP an entity that, in the course of its ordinary activities, routinely sells items of property, plant and equipment that it has held for rental to others shall transfer such assets to inventories at their carrying amount when they cease to be rented and become held for sale. The proceeds from the sale of such assets shall be recognised as revenue in accordance with IFRS 15. The disposal of an item of property, plant and equipment may occur in a variety of ways (eg by sale, by entering into a finance lease or by donation). Unlike Dutch GAAP, the date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15. IFRS 16 applies to disposal by a sale and leaseback. Unlike Dutch GAAP, the amount of consideration to be included in the gain or loss arising from the derecognition of an item of property, plant and equipment is determined in accordance with the requirements for determining the transaction price in IFRS 15. Subsequent changes to the estimated amount of the consideration included in the gain or loss shall be accounted for in accordance with the requirements for changes in the transaction price in IFRS 15. IAS 16.67, 68, 71
Compensation for impairment losses	Compensation from third parties for impairment losses on tangible fixed assets or for the loss of an asset shall be included in profit or loss when receipt of the compensation is probable. DAS 212.455	Unlike Dutch GAAP, 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. IAS16.65

9. Investment property

	Dutch GAAP	IFRS
Definition	Investment property is held to earn rentals or for capital appreciation or both. Therefore, an investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from owner-occupied property. DAS 213.0	Like Dutch GAAP, investment property is property (land or a building—or part of a building— or both) held (by the owner or by the lessee as a right-of-use asset) to earn rentals or for capital appreciation or both, rather than for: – use in the production or supply of goods or services or for administrative purposes; or – sale in the ordinary course of business. IAS 40.5
Initial recognition	Investment property shall only be recognised as an asset if: – it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and – the cost of the investment property can be established reliably. DAS 213.201	Like Dutch GAAP, an owned investment property shall be recognised as an asset when, and only when: – it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and – the cost of the investment property can be measured reliably. IAS 40.16
Subsequent expenditures	Subsequent expenditure shall be accounted for as (part of) the cost of the investment property if it meets the recognition criteria. DAS 213.401	Like Dutch GAAP, an entity evaluates all its investment property costs whether they meet the recognition criteria at the time they are incurred. These costs include costs costs incurred subsequently to add to, replace part of, or service a property. IAS 40.17
Initial measurement	An investment property shall be measured initially at its purchase price, including the transaction costs. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes, notary fees and other transaction costs. DAS 213.301, 302	Like Dutch GAAP, an owned investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs. IAS 40.20, 21
Subsequent measurement	Investment property shall be measured at fair value or cost. The policy chosen shall be applied to all investment property. DAS 213.501	Like Dutch GAAP, an entity shall choose as its accounting policy either the fair value model or the cost model and shall apply that policy to all of its investment property. IAS 40.30
Revaluations	Gains or losses arising on a change in the fair value of investment property shall be recognised through profit or	Like Dutch GAAP. However, IFRS do not require a revaluation reserve. If IFRS is applied by a Dutch entity Dutch law

	loss in the period in which the change occurs. A revaluation reserve shall be formed and charged to either the appropriation of profit or the Other reserves. Article 2:390 DCC	requires that a revaluation reserve is also formed and charged to either the appropriation of profit or the Other reserves. Article 2:362(9), 390 DCC
Major maintenance	No maintenance provision may be recognised for an investment property measured at fair value. If an investment property is measured at fair value the costs directly related to the major maintenance are recognised: – in the carrying amount of the asset, if the criteria for recognition in the balance sheet are met (component approach); or – through a maintenance provision. DAS 213.403	Unlike Dutch GAAP, IFRS do not allow to recognise a provision for maintenance costs because the definition of a liability is not met. IAS 37.14
Property interest classified by the lessee as an operating lease	A property interest of a lessee classified as an operating lease (for instance land on a long lease) may be recognised by the lessee as investment property if and to the extent that this property interest meets the definition of an investment property and the lessee applies current value accounting for the asset concerned. DAS 213.102	An investment property held be a lessee as a right-of-use asset shall be measured initially at its cost in accordance with IFRS 16 'Leases'. If a lessee applies the fair value model in IAS 40 'Investment property' to its investment property, the lessee shall also apply that fair value model to right-of-use assets that meet the definition of investment property. The lessee shall measure the right-of-use asset, and not the underlying property, at fair value. IAS 40.40A, 41
Fair value cannot be measured reliably	If the fair value of an investment property under development cannot be determined reliably, the investment property under development shall be measured at cost until the fair value can be determined reliably. If an entity establishes and expects that it will not be possible to determine the fair value of an investment property (which is not an investment property under development) on a continuing basis, the entity shall apply the cost model in DAS 212 'Tangible fixed assets' for that investment property. Under the cost model of DAS 212, an item of tangible fixed assets shall be measured at cost less accumulated depreciation and accumulated impairment. The residual value of the investment property shall be set at nil for this. The entity shall continue to	Like Dutch GAAP, if an entity determines that the fair value of an investment property under construction is not reliably measurable but expects the fair value of the property to be reliably measurable when construction is complete, it shall measure that investment property under construction at cost until either its fair value becomes reliably measurable or construction is completed (whichever is earlier). If an entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably measurable on a continuing basis, the entity shall measure that investment property using the cost model in IAS 16 for owned investment property or in accordance with IFRS 16 for investment property held by a lessee as a right-of-use asset. The residual value of the investment property shall be assumed to be zero. The entity shall

	apply the cost model in DAS 212 until disposal of the investment property. If an entity has previously measured an investment property at fair value, it shall continue to measure the investment property at fair value until disposal of the investment property (or until the property becomes owner-occupied property or until the entity begins to develop the property for subsequent sale in the ordinary course of business), even if comparable market transactions become less frequent or market prices become less readily available. DAS 213.512, 514	continue to apply IAS 16 or IFRS 16 until disposal of the investment property. Once an entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it shall measure that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property shall be accounted for using the cost model in accordance with IAS 16 for owned assets or IFRS 16 for investment property held by a lessee as a right-of-use asset. IAS 40.53, 53A
Cost model	After initial recognition, if an entity chooses measurement at cost it shall apply the cost model in DAS 212 'Tangible fixed assets' to all its investment property. DAS 213.515	Like Dutch GAAP, an entity that chooses the cost model shall measure investment property in accordance with the requirements in IAS 16 unless investment property meets the criteria to be classified as held for sale (or is included in a disposal group that is classified as held for sale) (measurement in accordance with IFRS 5) or is held by a lessee as a right-of-use asset and is not held for sale in accordance with IFRS 5 (measurement in accordance with IFRS 16). IAS 40.56
Reclassifications	An entity shall reclassify property from or to investment property only if there has been a change in use and, as a result, the property meets or no longer meets the definition of investment property. Only a change in the intention of the management board with regard to the use of the property does not constitute a change in use. DAS 213.601	Like Dutch GAAP, an entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use. IAS 40.57
Disposals	An investment property shall be derecognised, in case of disposal or permanent decommissioning, and in case of decommissioning when no future economic benefits are expected. Gains or losses arising from the decommissioning or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in profit or loss (unless	Like Dutch GAAP, an investment property shall be derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The date of disposal for investment property that is sold is the date the recipient obtains control of the investment property in accordance with

	DAS 292 'Leases' requires otherwise on a sale and leaseback). DAS 213.701, 702	the requirements for determining when a performance obligation is satisfied in IFRS 15. IFRS 16 applies to a disposal effected by entering into a finance lease and to a sale and leaseback. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in profit or loss (unless IFRS 16 requires otherwise on a sale and leaseback) in the period of the retirement or disposal. IAS 40.66, 67 69

10. Inventories

	Dutch GAAP	**IFRS**
Definition	Inventories are assets: – held for sale in the ordinary course of business; – in the production process for such a sale; or – in the form of materials and supplies used in the production process or in the provision of services. DAS 220.0	Like Dutch GAAP, inventories are assets: – held for sale in the ordinary course of business; – in the process of production for such sale; or – in the form of materials or supplies to be consumed in the production process or in the rendering of services. IAS 2.6
Recognition	Inventories may only be recognised as assets if: – it is probable that future economic benefits associated with the assets will flow to the entity; and – the cost of the assets can be measured reliably. DAS 220.201	Unlike Dutch GAAP, IFRS do not contain specific specific recognition criteria. However, based on generic recognition criteria no difference with Dutch GAAP exists.
Economic inventory	Accounting for inventories according to economic inventory (based on the physical presence of inventories taking into account advance sales and purchases) is not a basis for recognition or measurement in the balance sheet. DAS 220.204	Like Dutch GAAP, based on the definition of inventories. IAS 2.6, 8
Cost measurement	If inventories are measured at cost, this comprises the cost of purchase or cost of conversion and other costs incurred in bringing the inventories to their present location and condition. DAS 220.302	Like Dutch GAAP, the cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. IAS 2.10

Measurement	Inventories shall be measured at the lower of cost and net realisable value. However, agricultural inventories may also be recognised at current value (net realisable value). DAS 220.301	Like Dutch GAAP, inventories shall be measured at the lower of cost and net realisable value. Unlike Dutch GAAP, – inventories held by commodity broker-traders who measure their inventories at fair value less costs to sell are measured at fair value less costs tot sell with changes in profit or loss; and – inventories held by producers of agricultural and forest products, agricultural produce after harvest, and minerals and mineral products, to the extent that they are measured at net realisable value in accordance with well-established practices in those industries are measured at net realizable value with changes recognised in profit or loss. IAS 2.3, 9
Production costs	Production costs shall be allocated systematically and consistently to the cost of conversion. The production costs of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of factory buildings and equipment, and the cost of factory management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance. The actual level of production may be used if it approximates normal capacity. The amount of fixed overhead allocated to each unit of production is not	Like Dutch GAAP, the costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Fixed production overheads are those indirect costs of production that remain relatively constant regardless of the volume of production, such as depreciation and maintenance of factory buildings, equipment and right-of-use assets used in the production process, and the cost of factory management and administration. Variable production overheads are those indirect costs of production that vary directly, or nearly directly, with the volume of production, such as indirect materials and indirect labour. The allocation of fixed production overheads to the costs of conversion is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average over a number of periods or seasons under normal circumstances, taking into account the loss of capacity resulting from planned maintenance. The actual level of production may be used if it approximates normal capacity. The amount of fixed overhead allocated to each unit of production is not increased as a consequence of low production or idle plant.

	increased as a consequence of low production or idle plant. Unallocated overheads are recognised as an expense in the period in which they are incurred. In periods of abnormally high production, the amount of fixed overhead allocated to each unit of production is decreased so that inventories are not measured above cost. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities. DAS 220.307	Unallocated overheads are recognised as an expense in the period in which they are incurred. In periods of abnormally high production, the amount of fixed overhead allocated to each unit of production is decreased so that inventories are not measured above cost. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities. IAS 2.14
Other costs	Non-production overheads or the costs of designing products for specific customers are included in the cost of inventories only tot he extent they are incurred in bringing the inventories to their present location and condition. DAS 220. 309	Like Dutch GAAP, other costs are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition. For example, it may be appropriate to include non-production overheads or the costs of designing products for specific customers in the cost of inventories. IAS 2.15
Costs excluded from the cost of inventories	Costs excluded from the cost of inventories and recognised in profit and loss in the period in which they are incurred include: – abnormal amounts of wasted materials and supplies, labour or other production costs; – storage costs, unless those costs are necessary in a further production or conversion stage or necessary because a longer period is required to make the inventories suitable for sale (for instance maturing); – administrative overheads that do not contribute to bringing inventories to their present location and condition; and – selling costs. DAS 220.310	Like Dutch GAAP, examples of costs excluded from the cost of inventories and recognised as expenses in the period in which they are incurred are: – abnormal amounts of wasted materials, labour or other production costs; – storage costs, unless those costs are necessary in the production process before a further production stage; – administrative overheads that do not contribute to bringing inventories to their present location and condition; and – selling costs. IAS 2.16
Financing	If the cost of the inventories is paid on longer than normal payment terms, it shall be based on the present value of the liability. DAS 220.311	Like Dutch GAAP, when the arrangement effectively contains a financing element, that element, for example a difference between the purchase price for normal credit terms and the amount paid, is recognised as interest expense over the period of the financing. IAS 2.18
Cost methods	The same cost methods shall be used for all inventories of a similar nature and/or use. Pursuant to article	Unlike Dutch GAAP, last-in, first-out (LIFO) is not permitted. For interchangeable items, cost is

	2:385(2) DCC, similar components of inventories must be measured by assigning weighted average prices using the first-in, first-out (FIFO), last-in, first-out (LIFO) or similar methods. It is recommended that the FIFO method or an average price method is used. The use of different cost methods may be justified for inventories which are different in nature and/or use. DAS 220.313	determined on either a first-in, first-out (FIFO) or weighted average basis. For inventories with a different nature or use, different cost formulas may be justified. IAS 2.25

11. Consolidation

	Dutch GAAP	**IFRS**
Consolidation requirement by the head of a group	Article 2:406(1) DCC requires an entity which, alone or with another group company, heads a group to prepare consolidated financial statements. Pursuant to article 2:406(1) DCC, the term group, as defined in article 2:24b DCC, is significant in determining if an entity heads a group and therefore is required to consolidate. The statutory description contains two criteria that have to be fulfilled for there to be a group: economic entity and organizational association. The parliamentary debate indicates that central management is also an essential element. These three criteria are linked as an economic entity assumes organizational association and/or central management. A feature of a group is, therefore, that there is a collection of entities and partnerships (hereafter referred to as companies) under central management, such that they form an economic entity. In all cases, the existence of a group or group company (hereafter referred to as a group relationship) shall be decided from the actual situation. The existence of a group relationship depends on whether a given company in fact manages the other company, in other words actually decides the policy of that other (policy-dependent) company. Article 2:406(1) DCC DAS 217.201, 202	Broadly similar to Dutch GAAP. An entity that is a parent shall present consolidated financial statements. A parent is an entity that controls one or more entities. Thus, an investor controls an investee if and only if the investor has all the following: – power over the investee; – exposure, or rights, to variable returns from its involvement with the investee; and – the ability to use its power over the investee to affect the amount of the investor's returns. *Power* An investor has power over an investee when the investor has existing rights that give it the current ability to direct the relevant activities, ie the activities that significantly affect the investee's returns. Power arises from rights. Sometimes assessing power is straightforward, such as when power over an investee is obtained directly and solely from the voting rights granted by equity instruments such as shares, and can be assessed by considering the voting rights from those shareholdings. In other cases, the assessment will be more complex and require more than one factor to be considered, for example when power results from one or more contractual arrangements. An investor with the current ability to direct the relevant activities has power even if its rights to direct have yet to be exercised. Evidence that the investor has been directing relevant activities can help

		determine whether the investor has power, but such evidence is not, in itself, conclusive in determining whether the investor has power over an investee. If two or more investors each have existing rights that give them the unilateral ability to direct different relevant activities, the investor that has the current ability to direct the activities that most significantly affect the returns of the investee has power over the investee. An investor can have power over an investee even if other entities have existing rights that give them the current ability to participate in the direction of the relevant activities, for example when another entity has significant influence. However, an investor that holds only protective rights does not have power over an investee (see paragraphs B26–B28), and consequently does not control the investee. *Returns* An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. The investor's returns can be only positive, only negative or both positive and negative. Although only one investor can control an investee, more than one party can share in the returns of an investee. For example, holders of non-controlling interests can share in the profits or distributions of an investee. *Link between power and returns* An investor controls an investee if the investor not only has power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's returns from its involvement with the investee. IFRS 10.4, 7, 10-17
Exemption from consolidation requirement for small groups	Consolidation is not required if: – the limits of article 2:396 DCC are not exceeded on consolidation; – no company to be consolidated is an entity as meant by article 2:398(7) DCC (public interest entities); and – no objection has been submitted in writing by the general meeting to	Unlike Dutch GAAP, no exemption from consolidation for small groups exists. IFRS 10

	the entity within six months of the start of the financial year. Article 2:407(2) DCC	
Consolidation requirement by intermediate parent entity	An intermediate parent entity shall prepare consolidated financial statements which shall include the financial information of: – the intermediate parent entity itself; – its subsidiaries in the group; – other group companies under the intermediate parent entity; and – other entities over which it can exercise control or over which it has central management (this may include SPEs). Article 2:408 DCC imposes various conditions for exemption from consolidation by intermediate parent entities. One of these is that the consolidated financial statements of the greater unit (in which the financial information of the intermediate parent entity shall be consolidated) are always filed with the auditor's report and the management board report at the office of the trade register within six months after the reporting period or within one month of permitted latter publication. Office of the trade register (article 2:408(1)(e) DCC) is defined as the trade register in the Netherlands. Article 2:406(2) DCC Article 2:408 DCC DAS 217.212-216	Broadly similar to Dutch GAAP. An entity that is a parent (including an intermediate parent) shall present consolidated financial statements. A parent is an entity that controls one or more entities. A parent need not present consolidated financial statements if it meets all the following conditions: – it is a wholly-owned subsidiary or is a partially-owned subsidiary of another entity and all its owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements; – its debt or equity instruments are not traded in a public market; – it did not file, nor is in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market; and – its ultimate or any intermediate parent produces financial statements that are available for public use and comply with IFRS, in which subsidiaries are consolidated or are measured at fair value through profit or loss in accordance with IFRS 10. IFRS 10.4
Personal holding company	A personal holding company is an entity whose shares are fully and directly held by a natural person (and possibly other natural persons who have a close (family) relationship with this natural person), which guarantees and structures the private interests of this natural person. A personal holding company may alone or with other entities hold an interest in one or more underlying companies in order to guarantee and structure the private interests of its shareholder. As a result of that shareholding, such a personal holding company which owns a majority of the shares in another company often has the majority of the voting rights in the general meeting of that company and a majority of the economic rewards of that company. This need not, however, mean that the	Unlike Dutch GAAP, no exemption for personal holding companies. An entity that is a parent (including a personal holding company) shall present consolidated financial statements. A parent is an entity that controls one or more entities. IFRS 10.4

	personal holding company heads the group. Pursuant to article 2:24b DCC, there is a group relationship between the personal holding company and the underlying entity(entities) if the personal holding company thus forms an economic entity, has an organizational association and provides central management. Generally, a personal holding company which holds interests in more than one underlying company is more likely to be regarded as head of the group than a personal holding company which holds an interest in only one company. This shall be determined from the specific facts and circumstances. DAS 217.103, 209	
Entities to be consolidated	The consolidated financial statements include the financial information of: – the parent entity itself; – its subsidiaries in the group; – other group companies under the parent entity; and – other entities over which it can exercise control or over which it has central management (this may include SPEs). Pursuant to article 2:406 DCC, entities need not be group companies to be part of the consolidation base. Merely the ability to exercise control or having central management is sufficient. This consolidation base applies to consolidation by the head of a group (pursuant to article 2:406(1) DCC) and the intermediate parent (pursuant to article 2:406(2) DCC). Article 2:406 DCC DAS 217.3	The consolidated financial statements include the financial information of subsidiaries. Consolidated financial statements are the financial statements of group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity. IFRS 10.A
Exemptions regarding entities to be consolidated	The consolidated financial statements do not have to include information of companies to be consolidated in the consolidation (article 2:407(1) DCC): – whose joint significance is not material to the whole; – whose information can only be obtained or estimated at disproportionate cost or with a great delay. Material group companies may only be excluded from consolidation on these grounds in very exceptional situations. This may occur after	Unlike Dutch GAAP, IFRS do not contain exemptions. Consolidated financial statements shall include all subsidiaries. However, there are specific provisions regarding investment entities.

	acquisition of a new participating interest when that participating interest's reporting has not yet been adapted to the group's system; – where the interest is being held solely for disposal. This may occur if, on acquisition of a group or subgroup, it is intended to restructure that group and to dispose of certain parts within not too long a period. Article 2:407(1) DCC DAS 217.304	
Definition of an investment entity	An entity or company whose activities are limited to participating exclusively or almost exclusively in other legal entities or companies without interfering in their business operations, except through the exercise of shareholders' rights. DAS 217.0	Unlike Dutch GAAP, IFRS contain more specific guidance whether an entity classifies as an investment entity. An entity classifies as an investment entity if it: – obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services; – commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and – measures and evaluates the performance of substantially all of its investments on a fair value basis. In assessing whether it meets the definition, an entity shall consider whether it has the following typical characteristics of an investment entity: – it has more than one investment; – it has more than one investor; – it has investors that are not related parties of the entity; and – it has ownership interests in the form of equity or similar interests. The absence of any of these typical characteristics does not necessarily disqualify an entity from being classified as an investment entity. IFRS 10.27, 28
Exception to consolidation for investment entities	The exemption in article 2:407(1) DCC may be applied: – by investment companies for majority holdings in participating interests; and – by investment entities that apply DAS 615 for majority holdings in investments; if a specific exit strategy was formulated with respect to these	Unlike Dutch GAAP, 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 fair value through profit or loss. As a consequence, a parent that is an investment entity shall not present consolidated financial statements if it is

	majority holdings from the time of purchase such that it is clear that these participating interests are only being held for sale at a time defined in the exit strategy. If an entity uses this exemption, the majority holdings shall not be regarded as participating interests but classified as securities. Article 2:407(1) DCC DAS 217.308, 308a	required to measure all of its subsidiaries at fair value through profit or loss. An investment entity shall measure an investment in a subsidiary at fair value through profit or loss, unless that subsidiary is itself not an investment entity and whose main purpose and activities are providing services that relate to the investment entity's investment activities. IFRS 10.4B, 31-32
Held solely for disposal	An interest that meets the conditions for 'held solely for disposal' shall be included in current assets and shall not be consolidated. Where an entity acquires a company exclusively with the intention of disposing of it later, it shall classify that interest on the acquisition date as 'held solely for disposal' if the disposal is probable with a year and the following indicators are met on the acquisition date, or within a short period after the acquisition: – the company is suitable for immediate disposal; – a decision on the sale has been made and a plan for the sale has been prepared; – a start has actually been made on implementing the decision on sale and the plan for the sale; – the selling price is in line with fair value; and – it is not expected that the plan for the sale will be changed fundamentally or withdrawn. These indicators shall normally be met within three months of the acquisition date. DAS 217.305	Unlike Dutch GAAP, an interest in a subsidiary (or disposal group) that is classified as held for sale in accordance with IFRS 5 shall be consolidated. IFRS 10.A
Consolidation procedures	The items in the consolidated financial statements shall be prepared according to uniform accounting policies. As a rule, these are the accounting policies that an entity applies in the consolidated and company-only financial statements. Different accounting policies may only be applied for good reasons disclosed in the notes. If the information of companies to be consolidated is prepared using different accounting policies from those in the consolidated financial	Like Dutch GAAP, intragroup balances, transactions, income and expenses are eliminated in full. Like Dutch GAAP, all entities in the group use the same accounting policies and, if practicable, the same reporting period. IFRS 10.B86, 87, 92, 93

	statements and as a result there is a material overall effect on the consolidated balance sheet and income statement, the information shall be adjusted before being incorporated in the consolidated information. DAS 217.504	
Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary	Dutch GAAP does not contain specific guidance.	Unlike Dutch GAAP, IFRS do contain specific guidance. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions (ie transactions with owners in their capacity as owners). IFRS 10.23
Losses attributable to non-controlling interest	Losses attributable to the non-controlling interest may exceed the non-controlling interest in the equity of the consolidated company (usually when there is an equity deficit in the participating interest). In that case, the difference and any further losses are borne in full by the majority shareholder, unless and to the extent that the minority shareholder has an obligation and is able to bear those losses. If the participating interest then again makes a profit, all of those profits are attributed to the majority shareholder until the losses borne by the majority shareholder have been recovered from the minority shareholder. DAS 217.508	Unlike Dutch GAAP, an entity shall attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This is required even if this results in the non-controlling interests having a deficit balance. IFRS 10.B94
Loss of control	Dutch GAAP does not contain specific guidance.	Unlike Dutch GAAP, IFRS do contain specific guidance. If a parent loses control of a subsidiary, the parent: – derecognises the assets and liabilities of the former subsidiary from the consolidated statement of financial position; – recognises any investment retained in the former subsidiary and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRS. That retained interest is remeasured. The remeasured value at the date that control is lost shall be regarded as the fair value on initial recognition of a financial asset in accordance with IFRS 9 or the cost on initial recognition of an investment in an associate or joint venture, if applicable; and

		– recognises the gain or loss associated with the loss of control attributable to the former controlling interest. IFRS 10.25

12. Business combinations

	Dutch GAAP	IFRS
Introduction	In practice, the term business combination refers to the bringing together of separate entities or businesses into one economic entity. The term 'merger' is sometimes used when there is an acquisition as meant by DAS 216. Often the term used relates to legal or tax aspects of the way the acquisition is brought about (share-for-share merger, merger of companies, legal merger). Dutch GAAP differentiates between acquisitions and uniting of interests for treatment in the financial statements. The purchase method shall be applied for an acquisition. The pooling of interests method shall be applied in case of an uniting of interests. DAS 216.101, 201, 301	Unlike Dutch GAAP, a business combination is defined as a transaction or other event in which an acquirer obtains control of one or more businesses. Transactions sometimes referred to as 'true mergers' or 'mergers of equals' are also business combinations as that term is used in this IFRS. An entity shall account for each business combination by applying the acquisition method. IFRS 3.A, 4
Business combinations not under common control	There is a difference in the accounting treatment of business combinations between an acquisition and a uniting of interests. A business combination which is an acquisition shall be accounted for by using the purchase method. A uniting of interests shall be accounted for by using the pooling of interests method. In virtually all business combinations one of the combining enterprises obtains control over the other combining enterprise, thereby enabling an acquirer to be identified. Only in exceptional cases, it may not be possible to identify an acquirer. In such a situation the business combination does not classify as an acquisition. This is the case if more or less equal parties enter into a form of alliance involving a uniting of interests. There may be a uniting of interests if the following circumstances arise: – there is no acquirer and acquiree in the transaction (this implies that	Unlike Dutch GAAP, an entity shall account for each business combination by applying the acquisition method. IFRS 3.4

	in principle each of the parties has a similar fair value); – all or virtually all of the equity and all or virtually all of the operations of two or more entities are combined; and – the transaction comprises a share exchange in which all or virtually all of the voting shares form the performance and consideration; – the transaction extends to a common long-term sharing of risks and rewards; and – the shareholders of each party broadly retain the same voting rights and interests in the combined entity relative to each other, after the combination as before. These factors must be considered together when determining whether a business combination classifies as an acquisition or as an uniting of interests. DAS 216.106-113	
Business combinations under common control	A merger or acquisition of an enterprise in which the acquirer is under common control is recognised by the acquirer using one of the following methods in its consolidated financial statements: – the purchase method. This method may only be applied if it reflects the substance of the transaction; – the pooling of interests method; – the carryover accounting method. If the carryover accounting method is used, the carrying amounts of the assets and liabilities are combined on the acquisition date. The comparative figures are not restated. DAS 216.503	Unlike Dutch GAAP, IFRS do not include specific guidance. In the absence of an IFRS that specifically applies to business combinations under common control, an entity shall use its judgement in developing and applying an accounting policy that results in relevant and reliable information by applying IAS 8.10-12. IFRS 3.2
Acquisition accounting	The purchase method shall be applied for an acquisition. The use of the purchase method results in an acquisition being accounted for similarly to the purchase of other assets. The purchase method uses cost as the basis for recording the acquisition and relies on the exchange transaction underlying the acquisition for determination of the cost. DAS 216.2	Unlike Dutch GAAP, all business combinations shall be accounted for using the acquisition method. Although the concept of the acquisition method under IFRS is comparable to the concept of the purchase method under Dutch GAAP there are important differences. IFRS 3.4
Acquisition date	The acquisition date is the date on which control of the net assets and	Like Dutch GAAP, the date on which it obtains control of the acquiree. The date on which the acquirer obtains control of

	operations of the acquire is effectively transferred to the acquirer. Control must not be deemed to have been transferred to the acquirer until all the conditions necessary to secure the interests of the parties involved have been met. This need not mean that a transaction has to have been completed legally before control is deemed to have been effectively transferred. Obtaining control will often coincide with the acquirer actually taking ownership of the acquiree for its risk and account, as may be shown for example, from provisions on the transaction price. It is acceptable for practical reasons, for example because of the availability of financial information, to recognise the results at a time other than the acquisition date, provided this does not have a material effect on the financial position and result. DAS 216.0, 202	the acquiree is generally the date on which the acquirer legally transfers the consideration, acquires the assets and assumes the liabilities of the acquiree—the closing date. However, the acquirer might obtain control on a date that is either earlier or later than the closing date. For example, the acquisition date precedes the closing date if a written agreement provides that the acquirer obtains control of the acquiree on a date before the closing date. An acquirer shall consider all pertinent facts and circumstances in identifying the acquisition date. IFRS 3.8, 9
Cost of acquisition	An acquisition shall be accounted for at its cost, being the amount of cash or cash equivalents pair or the fair value, at the date of exchange, of the other purchase consideration given by the acquirer in exchange of control over the net assets of the acquiree, plus any costs directly attributable to the acquisition. The costs to issue debt or equity instruments shall be recognised in accordance with the standards on financial instruments. DAS 216.203	Like Dutch GAAP, the consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. Unlike Dutch GAAP, acquisition-related costs are not part of the cost of the acquisition, but shall be expensed in the periods in which these costs are incurred and the services are received, with one exception. The costs to issue debt or equity instruments shall be recognised in accordance with IAS 32 and IFRS 9 on financial instruments. IFRS 3.37, 53
Recognition and measurement	As of the acquisition date, an acquirer shall: – recognise the results of the acquiree in its income statement; and – recognise the acquiree's identifiable assets and liabilities and any goodwill or negative goodwill arising on the acquisition in its balance sheet. The entity shall recognise the acquiree's identifiable assets and liabilities on the acquisition date along	Like Dutch GAAP, at the acquisition date, the acquirer shall recognise, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The acquirer shall measure the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values. Unlike Dutch GAAP, IFRS do not contain the recognition criteria regarding the probability of future economic benefits and the reliability of the measurement. As a consequence, in practice the application of the acquisition

	with provisions. They shall be recognised separately at fair value in the balance sheet provided the following conditions are met:
	– it is probable that any future economic benefits will flow to the acquirer or that an outflow of resources embodying economic benefits will be required to settle the liability, and
	– its cost or fair value can be measured reliably.
	
	Income taxes
	The acquirer shall recognise and measure a deferred tax assets and liabilities assumed in accordance with DAS 272 on income taxes.
	
	Employee benefits
	The acquirer shall recognise and measure a liability (or asset, if any) related to the acquiree's pension arrangements in accordance with DAS 271 on employee benefits.
	
	Restructuring
	Where liabilities did not exist for the acquiree on the acquisition date, they must not be recognised as part of the allocation of the purchase price. An exception to this is the situation in which the acquirer has plans for the acquiree's operations as a result of which a liability arises as a direct consequence of the acquisition. Only in this situation shall the acquirer form a provision on the acquisition date provided the following conditions are met:
	– on or before the acquisition date, the acquirer has developed the main features of a plan for terminating or curtailing the acquiree's operations with respect to:
	  – compensating the acquiree's employees for termination of their services;
	  – closure of the acquiree's business units;
	  – closure of the acquiree's product; or
	  – termination of onerous contracts which the acquirer had already announced to the counterparty on or before the acquisition date;
	– on or before the acquisition date, the acquirer has raised valid
		method under IFRS often results in the recognition of more intangibles than under Dutch GAAP. Unlike Dutch GAAP, there is no restriction for intangible fixed assets with a fair value which cannot be determined by reference to an active market.
		
		Contingent liability
		Unlike Dutch GAAP, the acquirer shall recognise as of the acquisition date a contingent liability assumed in a business combination at the acquisition date even if it is not probable that an outflow of resources will be required to settle the obligation.
		
		Income taxes
		Like Dutch GAAP, the acquirer shall recognise and measure deferred tax assets and liabilities assumed in accordance with IAS 12 on income tax.
		
		Employee benefits
		Like Dutch GAAP, the acquirer shall recognise and measure a liability (or asset, if any) related to the acquiree's employee benefits arrangements in accordance with the standard on employee benefits (IAS 19).
		
		Leases in which the acquiree is the lessee
		Unlike Dutch GAAP, the acquirer shall recognise right-of-use assets in accordance with IFRS 16 on leases in which the acquiree is the lessee. The acquirer is not required to recognise right-of-use assets and lease liabilities for leases for which the remaining lease term ends within twelve months of the acquisition date or leases for which the underlying asset is of low value.
		The acquirer shall measure the lease liability at the present value of the remaining lease payments. The acquirer shall measure the right-of-use asset at the same amount as the lease liability as if the acquired lease were a new lease at the acquisition date, adjusted to reflect favourable or unfavorable terms of the lease when compared with market terms.
		
		Reacquired rights
		Unlike Dutch GAAP, the acquirer shall measure the value of a reacquired right as an intangible asset on the basis of the remaining contractual term of the related contract regardless of whether market participants would consider potential

	expectations in those affected that it will carry out the restructuring by announcing the main features of the plan for terminating or curtailing operations to those affected by it. *Intangible assets* If the fair value of an intangible fixed asset cannot be determined by reference to an active market, the amount recognised for that intangible asset at the date of the acquisition shall be limited to an amount that does not create or increase negative goodwill that arises on the acquisition. DAS 216.208-215	contractual renewals when measuring fair value. *Share-based payments* Unlike Dutch GAAP, IFRS contain specific guidance which requires that the acquirer shall measure a liability or an equity instrument related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payments transactions with share-based payment transactions of the acquirer in accordance with the method in IFRS 2 on share-based payments at the acquisition date (market-based measure of the share-based payment transaction). *Assets held for sale* Unlike Dutch GAAP, the acquirer shall measure an acquired non-current asset (or disposal group) that is classified as held for sale at the acquisition date in accordance with IFRS 5 at fair value less costs to sell. IFRS 3.10-31
Goodwill	Any excess of the cost of the acquisition over the acquirer's interest in the fair value of the identifiable assets and liabilities acquired at the date of exchange transaction shall be recognised as goodwill. Goodwill shall be measured at cost less accumulated amortisation and impairment. Goodwill shall be amortised on a systematic basis over its economic life. The amortisation period shall be based on the period over which future economic benefits accrue to the acquirer. There is a rebuttable presumption that the maximum economic life is twenty years from the time of acquisition. In exceptional cases where the useful economic life of the costs of development and goodwill cannot be determined reliably, those costs have to be amortised over a period of no more than ten years. The amortisation method used shall reflect the pattern in which the asset's future economic benefits accrue to the acquirer. If that pattern cannot be determined reliably, the straight-line method shall be used. The amortisation period and method shall be reviewed at least at the end of each reporting period.	Unlike Dutch GAAP, goodwill shall not be amortised but tested for impairment annually and whenever there is any indication that goodwill may be impaired. IAS 36.9-10

	The recoverable amount of goodwill with an estimated economic life longer than twenty years from the date of recognition shall from be estimated at least at the end of each reporting period, even if there is no indication of impairment. DAS 216.216-231	
Negative goodwill	Any excess, as at the date of the acquisition, of the acquirer's interest in the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition, shall be recognised as negative goodwill (as a separate accrual). 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 acquisition date, that portion of negative goodwill shall be recognised as income in profit or loss when the future losses and expenses are recognised. If these identifiable future losses and expenses are not recognised in the expected period, the negative goodwill shall be treated as set out below. To the extent that negative goodwill does not relate to identifiable expected future losses and expenses that can be measured reliably at the acquisition date, negative goodwill shall be recognised as income in profit or loss as follows: – the amount of negative goodwill that does not exceed the fair value of identifiable non-monetary assets shall be systematically recognised through profit or loss proportionately to the weighted average remaining period of use of the acquired depreciable items of tangible fixed assets; and – the amount of negative goodwill that exceeds the fair value of identified non-monetary assets shall be recognised immediately as income in profit or loss. DAS 216.232-235	Unlike Dutch GAAP, negative goodwill shall be recognised as a bargain purchase in profit or loss. IFRS 3.32-36
Contingent consideration	When the acquisition agreement provides for an adjustment of the cost contingent on future events (contingent	Unlike Dutch GAAP, the consideration for the acquisition includes the acquisition-date fair value of contingent

	consideration) and the adjustment is probable and can be measured reliably, that adjustment shall be made to the cost at the acquisition date. The purchase price shall be adjusted if an uncertainty that affects the amount of the purchase price ceases to exist after the acquisition date as a result of which payment of the amount becomes probable and can be measured reliably. DAS 216.239, 240	consideration. Changes to contingent consideration classified as a liability resulting from events after the acquisition date are generally recognised in profit or loss. IFRS 3.39, 40
Subsequent identification or change in the value of identifiable assets and liabilities	Identifiable assets and liabilities that are acquired but which do not satisfy the criteria on separate initial recognition of the acquisition shall be recognised subsequently if they then satisfy those criteria. The carrying amount of the identifiable assets and liabilities acquired shall, following the acquisition, be adjusted if additional information becomes available to support the estimate of the amounts of the identifiable assets and liabilities on initial recognition of the acquisition. The amounts allocated to goodwill shall also be adjusted if necessary, provided: – the adjustment does not create an increase in the carrying amount above the recoverable in accordance with DAS 121 on impairment of assets; and – such adjustment is made before the end of the first reporting period that commences after the acquisition (except for recognition of a restructuring provision pursuant to DAS 216.212). In other cases, adjustments of the identifiable assets and liabilities shall be recognised immediately in profit or loss. It may not be possible to recognise the acquiree's identifiable assets and liabilities on initial recognition as they did not satisfy the criteria or the acquirer did not know that they existed. In the same way, it may be necessary to adjust the fair values allocated to the assets and liabilities on the acquisition date on the basis of later information. If the identified assets and liabilities are recognised or carrying amounts are adjusted after the end of the first reporting period starting after the acquisition, the effect	Like Dutch GAAP, if the initial accounting for a business combination can be determined only provisionally by the end of the first reporting period, the combination is accounted for using provisional values. Unlike Dutch GAAP, adjustments to provisional values relating to facts and circumstances that existed at the acquisition date are permitted within one year. No adjustments after one year except to correct an error in accordance with IAS 8. IFRS 3.45-50

	must be recognised in profit or loss rather than by adjusting goodwill. Although arbitrary, this time limit ensures that goodwill is not repeatedly revised and adjusted. DAS 216.244, 245	
Pooling of interests	When applying the pooling of interests method, the assets and liabilities of the combined entities and their revenue and expenditure for the reporting period in which the combination took place and previous years presented for comparative purposes are included in the financial statements of the combined entities as if the combination had been effected at the beginning of those reporting periods. Business combinations which classify as uniting of interests may not be recognised in the financial statements of a period if the combination took place after the reporting period. The pooling of interests method means that if a combination date is not the start of a reporting period, the income statement presents the results of the combined entity as if the merger had taken place at the beginning of the reporting period. Although this departure from the actual merger date gives the income statement a certain pro forma nature, it is advantageous to the view of the result of the combined entity. A difference between the nominal value of the issued share capital (plus any consideration in cash or other assets) and the carrying amount of the assets and liabilities underlying the value of the shares received in exchange shall be recognised in the reserves. This difference is normally designated as share premium. Expenses relating to business combinations which classify as uniting of interests shall be recognised as a cost in the period in which they arise. The notes shall disclose the merger costs or an indication of them. When applying the pooling of interests method, the effects of a change in accounting policy shall be recognised directly in the opening equity. DAS 216.302-307	Unlike Dutch GAAP, IFRS do not contain guidance on the pooling of interests method. An entity shall account for each business combination by applying the acquisition method. IFRS 3.4

13. Joint arrangements

	Dutch GAAP	IFRS
Introduction	Under Dutch GAAP, the term 'joint arrangement' is not used. Instead, the term 'joint venture' is used with a similar meaning. A joint venture exists in the case of activities, whether or not carried out in the form of a legal person or partnership, over which control is exercised jointly as a result of an agreement to cooperate between a limited number of participants. DAS 215.0	Unlike Dutch GAAP, IFRS uses the term 'joint arrangement'. A joint arrangement is one in which two or more parties have joint control over activities. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. IFRS 11.4, 14
Classification of joint arrangements	Joint arrangements (under Dutch GAAP the term joint ventures with a similar meaning is used) shall be classified as: – a jointly controlled entities; – jointly controlled operations; or – jointly controlled assets. A jointly controlled entity is a joint arrangement which involves the establishment of an entity, partnership or other entity in which each venturer has an interest. Jointly controlled operations involves the use of the assets and other resources of the venturers rather than the establishment of an entity, partnership or other entity. Each venture uses its own property, plant and equipment and carries its own inventories. The joint arrangement usually provides a means by which revenue from the sale of the joint product and any expenses incurred are shared among the venturers. Jointly controlled assets do not involve the establishment of an entity, partnership or other entity. Each venture has control over its share of future economic benefits through its share in the jointly controlled assets. DAS 215.205	Unlike Dutch GAAP, joint arrangements shall be classified as: – a joint venture; or – a joint operation. A joint venture is a joint arrangement in which the venturers have rights to the net assets of the venture. A joint operation is a joint arrangement whereby each joint operator has rights to assets and obligations for the liabilities of the operation. The distinction between a joint operation and a joint venture requires assessment of the structure of the joint arrangement, the legal form of any separate vehicle, the terms of the contractual arrangement and any other relevant facts and circumstances. IFRS 11.6, 14-17
Accounting for joint arrangements	*Jointly controlled entity* An entity reports its interest in a jointly controlled entity using an equity method (see equity method) or using proportionate consolidation providing that proportionate consolidation meets the statutory requirements for the view given (article 2:409 DCC). *Jointly controlled operations* An entity shall recognise:	*Joint ventures* Unlike Dutch GAAP, an entity applies the equity method, as described in IAS 28, except where the investor entity is a venture capital firm, mutual fund or unit trust, and it elects or is required to measure such investments at fair value through profit or loss in accordance with IFRS 9.

	– the assets that it controls and the liabilities it incurs; and – the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint venture. *Jointly controlled assets* A venture shall recognise: – its share of the jointly controlled assets, classified according to the nature of the assets; – any liabilities which it has incurred; – its share of any liabilities incurred jointly with the other venturers in relation to the joint venture; – any income from the sale or use of the output of the joint venture, together with its share of any expenses incurred by the joint venture; and – any expenses which it has incurred in respect of its interest in the joint venture. Article 2:409 DCC DAS 215.201-205	Unlike Dutch GAAP, in the separate financial statements an entity shall measure its interest in a joint venture either: – at cost; – in accordance with IFRS 9; or – using the equity method as described in IAS 28. *Joint operations* A joint operator recognises the assets it controls, and expenses and liabilities it incurs, and its share of income earned by applying the relevant IFRS. IAS 27.10 IFRS 11.20, 24, 26
Transactions between a venturer and a joint venture	The venturer shall recognise only that portion of the gain or loss which is attributable to the interests of the other venturers. The venturer shall recognise the full amount of any loss when the contribution or sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss of fixed assets. The transaction shall reflect the substance of the transaction. When a venturer purchases assets from a joint venture, the venture shall not recognise its share of the profits of the joint venture from the transaction until it resells the assets to an independent party. A venturer shall recognise its share of losses resulting from these transactions in the same way as profits except that losses shall be recognised immediately when they represent a reduction in the net realisable value of current assets or an impairment loss of fixed assets. DAS 215.208. 209	Like Dutch GAAP, gains and losses resulting from upstream and downstream transactions involving assets that do not constitute a business, between an entity an its joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the joint venture. Unlike Dutch GAAP, the gain or loss resulting from a downstream transaction involving assets that constitute a business between an entity joint venture is recognised in full in the investor's financial statements. IAS 28.28, 31B
Accounting by the joint venture of contributions by the venturers	The assets and liabilities contributed by the venturers shall be initially recognised in the financial statements of the joint venture at fair value at the time of contribution. For the joint venture, the fair value must be regarded as the cost of acquisition of	Unlike Dutch GAAP, there is no specific guidance.

	the assets and liabilities, notwithstanding the treatment of the contributions in the financial statements of the venturer(s). DAS 215.210	

14. Participating interests (associates)

	Dutch GAAP	IFRS
Participating interests	Under article 2:24c DCC there is a participating interest if the following criteria are met: – providing capital on own account; – long-term relationship to serve own activities. The law introduces a legal presumption in order to judge if there is a participating interest: there is a presumption of the existence of a participating interest if one fifth or more of the issued capital is provided. The legal presumption is rebuttable: a capital interest of 20% or more that demonstrably does not meet the criteria for a participating interest is not a participating interest. Similarly, a capital interest of less than 20% is a participating interest if the criteria for the definition of a participating interest are met. Participating interests of subsidiaries are also participating interests of the parent. Article 2:24c(1) DCC	Unlike Dutch GAAP, under IFRS the term 'participating interests' is not relevant. Under IFRS the definition of an associate is relevant. An associate is an entity, over which the investor has significant influence. IAS 28.3.
Measurement of participating interests with significant influence	Participating interests where the investor entity exercises significant influence over financial and operational policy shall be measured using an equity method. The method for measuring participating interests referred to in article 2:389 DCC applies to the measurement of participating interests in both the company-only financial statements and the consolidated financial statements. In the company-only financial statements of an entity its participating interests may be measured at cost, if there are sound grounds for not applying an equity method. International relationships or application of article 2:408 DCC (consolidation exemption for intermediate holding companies) are sound grounds not to apply an equity	Unlike Dutch GAAP, an associate shall be measured using the equity method in accordance with IAS 28 'Investments in associates and joint ventures', unless the financial statements classify as separate financial statements. In the separate financial statements an entity shall measure investments in associates, joint ventures and subsidiaries either: – at cost; – in accordance with IFRS 9; or – using the equity method as described in IAS 28. IAS 27.10

	method may measure its participating interests at cost. Article 2:389 DCC DAS 214.323, 325	
Measurement of participating interests with no significant influence	These interests are measured at cost or fair value in accordance with DAS 290 on financial instruments. DAS 214.320	Unlike Dutch GAAP, measurement of financial assets which do not classify as interests in associates, joint ventures or subsidiaries are accounted for at fair value in accordance with IFRS 9 on financial instruments. IFRS 9.2
Significant influence	An entity examines all facts and circumstances when determining whether there is a participating interest over which an entity exercises significant influence over financial and operational policy. There is a presumption of significant influence if the investor entity holds at its own discretion at least 20 per cent of the voting rights attaching to the shares, unless the entity can clearly demonstrate that this is not the case. If the investor entity holds less than 20 per cent of the voting rights attaching to the shares, it is presumed that no significant influence is exercised, unless the entity can clearly demonstrate that this is the case. The existence of significant influence can be demonstrated by one or more of the following: – representation of the investor entity on the management board of the participating interest or equivalent governing body; – involvement of the investor entity in setting the policy of the participating interest; – material transactions between the investor entity and the participating interest; – interchange of managers between the investor entity and the participating interest; – provision of essential technical information. DAS 214.302	Like Dutch GAAP, significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. If an entity holds, directly or indirectly (eg through subsidiaries), 20 per cent or more of the voting power of the investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. Conversely, if the entity holds, directly or indirectly (eg through subsidiaries), less than 20 per cent of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an entity from having significant influence. The existence of significant influence by an entity is usually evidenced in one or more of the following ways: – representation on the board of directors or equivalent governing body of the investee; – participation in policy-making processes, including participation in decisions about dividends or other distributions; – material transactions between the entity and its investee; – interchange of managerial personnel; or – provision of essential technical information. IAS 28.5-9
Equity method	Net asset value method shall be applied unless the entity does not have sufficient information to determine the net asset value. In that situation, it may take as its starting point a value	Like Dutch GAAP, the equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share

	otherwise determined in accordance with Title 9 Book 2 DCC and change this value by the amount of its share in the result and in the distributions of the company in which it participates (measurement according to the reported equity of the participating interest). With measurement according to the reported equity of the participating interest, the equity according to the balance sheet of the participating interest is taken on initial application as the starting point for measurement in the balance sheet of the investor entity. The use of net asset value for the measurement of a participating interest means that the accounting policies of the investor entity are applied to measuring assets and liabilities and for determining the result of the participating interest. For the financial statements of the investor, the purchase price of the identifiable assets and liabilities of an acquired participating interest is the fair value that shall be attributed to them on the date of acquisition. Both methods requires that goodwill shall be accounted for separately. DAS 214.306-311	of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Unlike Dutch GAAP, goodwill is included in the carrying amount of the investment and shall not be accounted for separately and amortisation of that goodwill is not permitted. Like the net asset value method under Dutch GAAP, many of the procedures that are appropriate for the application of the equity method are similar to the consolidation procedures (including the concepts underlying the procedures used in accounting for the acquisition of a subsidiary). Unlike Dutch GAAP, measurement according to the reported equity of the participating interest is not allowed. IAS 28.3, 32
Potential voting rights	The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether an entity has significant influence. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a future date or until the occurrence of a future event. Measurement according to the equity method does not take account of instruments that have potential voting rights in the participating interest, but only the actual rights to economic benefits in connection with the activities of the participating interest on the reporting date. DAS 214.303, 317	Like Dutch GAAP, the existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether an entity has significant influence. Potential voting rights are not currently exercisable or convertible when, for example, they cannot be exercised or converted until a future date or until the occurrence of a future event. Like Dutch GAAP, measurement according to the equity method does not take account of instruments that have potential voting rights in the participating interest. IAS 28.12
Dilution gains and losses	If a participating interest issues shares which dilute the relative interest, the	Unlike Dutch GAAP, there is no specific guidance.

	investor shall recognise any dilution gains and losses through profit or loss or through equity. The nature and size of this item and the method of recognition shall be disclosed separately. Any recognised dilution gains shall be regarded, irrespective of the recognition method used, as part of the results from the participating interests when determining whether or not a statutory reserve shall be formed pursuant to article 2:389(6) DCC. If a participating interest repurchases treasury shares from shareholders other than the investor entity so that the relative interest of the investor entity in that participating interest increases, the investor entity shall recognise any difference between the cost of the shares purchased by the participating interest and the proportionate part of the net asset value either as an initial recognition of the participating interest pursuant to DAS 216 'Business combinations' or directly in equity. DAS 214.315, 318	
Loss of significant influence	If a loss of significant influence is suffered after the acquisition date of a participating interest that influence is no longer significant for the financial and operational policy of the participating interest while that was previously the case, the most recently known net asset value shall be taken as the basis for further measurement at acquisition price or current value. The purchase price or current value thus determined shall be increased by the goodwill still recognised at the time of the loss of significant influence relating to the remaining interest in the participating interest. DAS 214.321	Unlike Dutch GAAP, if after loss of significant influence a retained interest classifies as a financial asset, the entity shall measure the retained interest at fair value. The entity shall recognise in profit or loss any difference between the fair value of any retained interest and any proceeds from disposing of a part of the investment and the carrying amount of the investment at the date the equity method was discontinued. IAS 28.22
Shares in the entity held by subsidiaries	If a subsidiary holds shares or depositary receipts for shares in the capital of the parent that it acquired after becoming a subsidiary, their acquisition price shall be deducted from the value of the participating interest. This follows from article 2:385(5) DCC, which states that treasury shares or depositary receipts for them that the entity holds or causes to be held may not be capitalized. For consolidated participating interests, this reduction shall be taken in full.	Unlike Dutch GAAP, there is no specific guidance.

	Article 2:385(5) DCC DAS 214.332	
Participating interests with a negative value	If the value of the participating interest under the equity method is nil, the participating interest shall in unchanged circumstances be measured at nil. The investor entity may not recognise a share in the profit of the participating interest in subsequent years if and to the extent that the accumulated unrecognised share in the loss has not been extinguished. If and to the extent that the investor entity has guaranteed all or part of the liabilities of the participating interest or has a constructive obligation to ensure that the participating interest will pay (its share) of its liabilities, the investor entity shall recognise a provision in accordance with DAS 252 'Provisions, contingent liabilities and contingent assets'. DAS 214.339	Like Dutch GAAP, after the entity's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. IAS 28.39

15. Impairment of assets

	Dutch GAAP	**IFRS**
Scope of standard	DAS 121 on impairment of assets applies to all fixed assets except for financial fixed assets covered within the scope of DAS 290 'Financial instruments', assets arising from employee benefits pursuant to DAS 271 'Employee benefits' and deferred tax assets pursuant to DAS 272 'Income taxes'. DAS 290 applies to financial assets including cash and cash equivalents, receivables, securities and participating interests over which no significant influence is exercised. DAS 121.102	Broadly similar to Dutch GAAP, IAS 36 applies to all assets except inventories (IAS 2), contract assets and assets arising from costs to obtain or fulfil a contract that are recognised in accordance with IFRS 15, deferred tax assets (IAS 12), assets arising from employee benefits (IAS 19), financial assets within the scope of IFRS 9, investment property measured at fair value (IAS 40), biological assets related to agricultural activity measured at fair value less costs to sell (IAS 41), deferred acquisition costs and intangible assets arising from insurance contracts (IFRS 4) and non-current assets classified as held for sale (IFRS 5). IAS 36.2
Identifying an asset that may be impaired	An entity shall assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. DAS 121.202	Like Dutch GAAP, an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. Unlike Dutch GAAP irrespective of whether there is any indication of impairment, goodwill and other intangibles with indefinite useful lives are tested for impairment at least annually.

		IAS 36.9
Measuring recoverable amount	Recoverable amount is defined as the higher of net realisable value and value in use. Recoverable amount is determined for an individual asset, unless the asset generates cash inflows that are largely dependent on those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. DAS 121.301, 304	Broadly similar to Dutch GAAP. However, IFRS define the recoverable amount of an asset or cash-generating unit as the higher of fair value less costs of disposal and its value in use. IAS 36.6,18, 22
Net realisable value	When determining the net realisable value, the deductible costs shall be based on the estimated costs that can be directly attributed to and necessary for achieving the sale. If there is no binding sale agreement but an asset is traded in an active market, net realisable value is the asset's market price less the costs of disposal. The appropriate market price is usually the current bid price. When current bid prices are unavailable, the price of the most recent transaction may provide a basis from which to estimate net realisable value, provided that there has not been a significant change in economic circumstances between the transaction date and the date as at which the estimate is made. If there is no binding sale agreement or active market for an asset, net realisable value is based on the best information available on the amount that an entity could obtain, after deducting the costs of disposal. In determining this amount, an entity considers the outcome of recent transactions for similar assets within the same industry. Net realisable value does not reflect a forced sale, unless management board of the entity is compelled to sell immediately. DAS 121.305-307	Unlike Dutch GAAP, fair value less costs of disposal is part of the definition of recoverable amount. If there is a binding sale agreement, fair value less costs of disposal could differ from the net realisable value under Dutch GAAP. IAS 36.6
Value in use	The present value of the estimated future cash flows attributable to an asset or combination of assets that can be obtained through the conduct of business. DAS 121.0 Article 3 Current value decree	Like Dutch GAAP, the present value of the future cash flows expected to be derived from an asset or cash-generating unit. IAS 36.6
Value in use: Future cash flows	Future cash flows shall be estimated for the asset in its current condition.	Like Dutch GAAP, future cash flows shall be estimated for the asset in its current

	Estimates of future cash flows shall not include estimated future cash inflows or outflows that are expected to arise from: – a future restructuring to which an entity is not yet committed; or – future capital expenditure for improving or enhancing the asset's original performance. Estimates of future cash flows shall not include: – cash inflows or outflows from financing activities including interest income and expense; or – income tax receipts or payments. DAS 121.313, 318	condition. Estimates of future cash flows shall not include estimated future cash inflows or outflows that are expected to arise from: – a future restructuring to which an entity is not yet committed; or – improving or enhancing the asset's performance. Like Dutch GAAP, estimates of future cash flows shall not include: – cash inflows or outflows from financing activities; or – income tax receipts or payments. IAS 36.44, 50
Foreign currency future cash flows	Future cash flows are estimated in the currency in which they will be generated and then discounted using a discount rate appropriate for that currency. An entity translates the present value using the exchange rate at the date of the value in use calculation. DAS 121.322	Like Dutch GAAP, future cash flows are estimated in the currency in which they will be generated and then discounted using a discount rate appropriate for that currency. An entity translates the present value using the spot exchange rate at the date of the value in use calculation. IAS 36.54
Discount rate	The discount rate shall be a pre-tax discount rate that reflects both current market interest rates and the risks specific to the asset. The discount rate shall not reflect risks for which the future cash flow estimates have been adjusted. A discount rate that reflects current market interest rates and the risks specific to the asset is the return that investors would require if considering an investment that would generate cash flows of an equivalent amount, timing and risk profile. This rate is estimated from the rate implicit in current market transactions for similar assets or from the weighted average cost of capital of a listed entity that has a single asset (or a portfolio of assets) that is similar in terms of service potential and risks. When an asset-specific rate is not directly available from the market, uses surrogates to estimate the discount rate. The purpose is to estimate, as far as possible, a market assessment of: – the time value of money for the period until the end of the asset's useful life; and	Like Dutch GAAP, the discount rate (rates) shall be a pre-tax rate (rates) that reflect(s) current market assessments of: – the time value of money; and – the risks specific to the asset for which the future cash flow estimates have not been adjusted. A rate that reflects current market assessments of the time value of money and the risks specific to the asset is the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the asset. This rate is estimated from the rate implicit in current market transactions for similar assets or from the weighted average cost of capital of a listed entity that has a single asset (or a portfolio of assets) similar in terms of service potential and risks to the asset under review. However, the discount rate(s) used to measure an asset's value in use shall not reflect risks for which the future cash flow estimates have been adjusted. Otherwise, the effect of some assumptions will be double-counted. When an asset-specific rate is not directly available from the market, an

	– the risk that the future cash flows will differ in amount and timing from the estimates. As a starting point in making such an estimate, the entity might take into account the following rates: – the entity's weighted average cost of capital; – the entity's incremental borrowing rate; – other market borrowing rates. These discount rates must be adjusted to reflect the way that the market would assess the specific risks associated with the projected cash flows and to exclude risks that are not relevant to the projected cash flows such as country, currency, price and cash flow risks. To prevent double counting, the discount rate may not reflect risks for which the estimated cash flows have been already adjusted. DAS 121.323-326	entity uses surrogates to estimate the discount rate. Like Dutch GAAP, as a starting point in making such an estimate, the entity might take into account the following rates: – the entity's weighted average cost of capital determined using techniques such as the Capital Asset Pricing Model; – the entity's incremental borrowing rate; and – other market borrowing rates. However, these rates must be adjusted: – to reflect the way that the market would assess the specific risks associated with the asset's estimated cash flows; and – to exclude risks that are not relevant to the asset's estimated cash flows or for which the estimated cash flows have been adjusted. Consideration shall be given to risks such as country risk, currency risk and price risk. The discount rate is independent of the entity's capital structure and the way the entity financed the purchase of the asset, because the future cash flows expected to arise from an asset do not depend on the way in which the entity financed the purchase of the asset. IAS 36.55-57, A17-19
Recognition and measuring an impairment loss	An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. DAS 121.401	Like Dutch GAAP, if, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. That reduction is an impairment loss. IAS 36.59
Identifying the cash-generating unit to which an asset belongs	If there is any indication that an asset may be impaired, recoverable amount shall be estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an entity shall determine the recoverable amount of the cash-generating unit to which the asset belongs. DAS 121.501	Like Dutch GAAP, if there is any indication that an asset may be impaired, recoverable amount shall be estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an entity shall determine the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit). IAS 36.66
Goodwill	For the purpose of impairment, goodwill acquired in a business combination shall be allocated, from	Like Dutch GAAP, the impairment test for goodwill is performed at the lowest level within the entity at which goodwill is

	the acquisition date, to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is so allocated shall: – represent the lowest level within the entity at which the goodwill is monitored for internal management purposes; and – not be larger than an operating segment determined in accordance with paragraph DAS 350.304, even if the entity does not report information on segments pursuant to DAS 350 'Segmented information'. DAS 121.514	monitored for internal management purposes, provided that the unit or group of units to which goodwill is allocated is not larger than an operating segment under IFRS 8. IAS 36.80
Reversing an impairment loss	An entity shall assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset (or cash-generating unit). An impairment loss recognised in prior periods shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss. Impairment of goodwill cannot be reversed. Article 2:387(4) DCC Article 2:387(5) DCC DAS 121.601, 605, 613	Like Dutch GAAP, an entity shall assess at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset. Like Dutch GAAP, an impairment loss recognised in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. Like Dutch GAAP, an impairment loss recognised for goodwill shall not be reversed in a subsequent period. IAS 36.110, 114, 124

16. Provisions, contingent liabilities and contingent assets

	Dutch GAAP	IFRS
Scope of the standard	DAS 252 shall be applied in accounting for provisions, liabilities not recognised in the balance sheet and assets not recognised in the balance sheet except those: – resulting from executory contracts, except where the contract is onerous; – arising at insurance companies under insurance contracts with policyholders; this also applies to legal entities undertaking insurance activities within a group; – covered by another standard. DAS 252 applies to warranty obligations. Contracts for financial guarantees, under which payments have to be made in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (sometimes called the 'underlying') within the scope of DAS 290 'Financial instruments'. Where another standard deals specifically with provisions, liabilities not recognised in the balance sheet and assets not recognised in the balance sheet, an entity must apply that standard instead of this standard. This includes: – construction contracts (see DAS 221); – tax assets and liabilities (see DAS 272); and – employee benefits (see DAS 271). DAS 252 does not apply to reductions in the value of an asset. Pursuant to article 2:374(2) DCC, reductions in the value of an asset may not be recognised by forming a provision. Other standards deal with the following reductions in value: – impairment of tangible fixed assets (see DAS 121); – reductions in the value of inventories (see DAS 220); – reductions in the value of receivables (see DAS 222).	Like Dutch GAAP, IAS 37 shall be applied by all entities in accounting for provisions, contingent liabilities and contingent assets, except: – those resulting from executory contracts, except where the contract is onerous; and – those covered by another Standard. IAS 37 does not apply to financial instruments (including guarantees) that are within the scope of IFRS 9 'Financial instruments'. IAS 37 does not apply to executory contracts unless they are onerous. Executory contracts are contracts under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent. When another Standard deals with a specific type of provision, contingent liability or contingent asset, an entity applies that Standard instead of IAS 37. For example, some types of provisions are addressed in standards on: – income taxes (see IAS 12); – Leases (see IFRS 16). However, IAS 37 also applies to short-term leases and leases for which the underlying asset is of low value accounted for in accordance with paragraph 6 of IFRS 16 and that have become onerous; – employee benefits (see IAS 19); – insurance contracts and other contracts within the scope of IFRS 17; – contingent consideration of an acquirer in a business combination (see IFRS 3); and – revenue from contracts with customers (see IFRS 15). However, as IFRS 15 contains no specific requirements to address contracts with customers that are, or have become, onerous, IAS 37 applies to such cases. Like Dutch GAAP, IAS 37 defines provisions as liabilities of uncertain timing or amount. In some countries the term 'provision' is also used in the context of items such as depreciation, impairment of assets and doubtful debts: these are adjustments to the carrying amounts of assets and are not addressed in IAS 37.

	DAS 252.101-103	IAS 37.1-7
Recognition of provisions	A provision is recognised only when a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be estimated reliably. Examples of provisions may include onerous contracts, restructuring provisions, warranties, refunds and site restoration. Planned future expenditure, even where authorised by the management board or equivalent governing body, is excluded from recognition, as are accruals for self-insured losses, general uncertainties, and other events that have not yet taken place. DAS 252.201	Like Dutch GAAP, a provision shall be recognised when: – an entity has a present obligation (legal or constructive) as a result of a past event; – it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and – a reliable estimate can be made of the amount of the obligation. IAS 37.14
Measurement of provisions	The amount recognised as a provision shall be the best estimate of the amount required to settle the liabilities and losses at the reporting date. The risks and uncertainties that inevitably surround many events and circumstances shall be taken into account in reaching this best estimate. If the effect of the time value of money is material, the provision shall be measured at the present value of the expenditures expected to be required to settle the obligations and losses. The discount rate at which the present value is determined shall be a pre-tax discount rate that reflects current market interest rates and the risks specific to the liability. The discount rate shall not reflect risks that have already been taken into account in estimating future expenditure. DAS 252.301-306	Like Dutch GAAP, the amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time. It will often be impossible or prohibitively expensive to settle or transfer an obligation at the end of the reporting period. However, the estimate of the amount that an entity would rationally pay to settle or transfer the obligation gives the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Like Dutch GAAP, where the provision being measured involves a large population of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities. Like Dutch GAAP, where a single obligation is being measured, the individual most likely outcome may be the best estimate of the liability. However, even in such a case, the entity considers other possible outcomes. Where other possible outcomes are either mostly higher or mostly lower than the most likely outcome, the best estimate will be a higher or lower amount.

		Like Dutch GAAP, the risks and uncertainties that inevitably surround many events and circumstances shall be taken into account in reaching the best estimate of a provision. Risk describes variability of outcome. A risk adjustment may increase the amount at which a liability is measured. Caution is needed in making judgements under conditions of uncertainty, so that income or assets are not overstated and expenses or liabilities are not understated. However, uncertainty does not justify the creation of excessive provisions or a deliberate overstatement of liabilities. For example, if the projected costs of a particularly adverse outcome are estimated on a prudent basis, that outcome is not then deliberately treated as more probable than is realistically the case. Care is needed to avoid duplicating adjustments for risk and uncertainty with consequent overstatement of a provision. Like Dutch GAAP, where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation. Like Dutch GAAP, the discount rate (or rates) shall be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. The discount rate(s) shall not reflect risks for which future cash flow estimates have been adjusted. IAS 37.36-47
Reimbursements	When all (or part of) the expenditure necessary to settle a provision is expected to be reimbursed by a third party, this reimbursement shall only be processed by the entity, at the time when it is likely that this reimbursement will be received upon settlement of the liabilities and losses. The consideration shall be presented as a separate asset. The amount recognised as a benefit shall not exceed the amount of the provision. DAS 252.311	Unlike Dutch GAAP, where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. Like Dutch GAAP, the reimbursement shall be treated as a separate asset and the amount recognised shall not exceed the amount of the provision. IAS 37.53
Future operating losses	Provisions shall not be recognised for future operating losses. DAS 252.402	Like Dutch GAAP, provisions shall not be recognised for future operating losses. IAS 37.63

Onerous contracts	A provision shall be formed if an entity has an onerous contract. The unavoidable costs of an onerous contract are those costs that have to be met to exit from the contract, i.e. the lower of the costs of fulfilling the obligations and any compensation or penalties arising from failure to fulfil the liabilities. A provision shall be recognised for the negative difference between the consideration receivable by the entity after the reporting date and the counter-consideration it shall perform after the reporting date. DAS 252.404, 405	Like Dutch GAAP,if an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision. An onerous contract is defined as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. IAS 37.66, 68

Restructuring	A provision for a restructuring shall be recognised if the following conditions are met at the reporting date:
	– the entity has a detailed formal plan for the restructuring, identifying at least:
	  – the business or part of a business concerned;
	  – the principal locations affected;
	  – the location, function, and approximate number of employees who will be compensated for terminating their services;
	  – the expenditures that will be undertaken; and
	  – when the plan will be implemented; and
	– the entity has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.
	
	A management board decision to restructure taken before the reporting date does not give rise to the formation of a provision as meant in the preceding paragraph unless the entity has, before the reporting date:
	– started to implement the restructuring plan; or
	– 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.
		Unlike Dutch GAAP, there is no option to recognise a provision if no constructive obligation exists at the end of the reporting period.
		
		Like Dutch GAAP, a constructive obligation to restructure arises only when an entity:
		– has a detailed formal plan for the restructuring identifying at least:
		  – the business or part of a business concerned;
		  – the principal locations affected;
		  – the location, function, and approximate number of employees who will be compensated for terminating their services;
		  – the expenditures that will be undertaken; and
		  – when the plan will be implemented; and
		– has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.
		
		Like Dutch GAAP, a management 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:
		– started to implement the restructuring plan; or
		– 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.

	A provision in connection with the sale of an operation is recognised from the time there is a sale contract. If at the reporting date an entity has a detailed formal plan for the restructuring and after the reporting date but before preparing the financial statements has either raised a valid expectation pursuant to paragraph 413(b), or started to implement the restructuring plan, then one of the following two accounting treatments must be applied pursuant to article 2:384(2) DCC: – a provision for the matter must be formed in the balance sheet; or – no provision for the matter must be formed in the balance sheet. If the second accounting treatment is applied, information shall be disclosed pursuant to DAS 160 'Events after the reporting date'. The approach shall be applied consistently. DAS 252.412-418	IAS 37.70-83
Restoration costs	If there are costs for an item of tangible fixed assets associated with obligations for dismantling and removing the asset and restoring the site where the asset is located and this obligation arises from locating the asset, the costs necessary for settling the obligation are treated: – as part of the carrying amount of the asset; or – by recognising a provision for restoration costs over the useful life of the asset. We also refer to the item on decommissioning, restoration and similar liabilities in the section on tangible fixed assets. If there are restoration costs for an item of tangible fixed assets as a result of the entity performing activities, a provision for restoration shall be recognised in accordance with DAS 212.436. DAS 252.419, 420 DAS 212.435, 437-444	Unlike Dutch GAAP, recognition of a provision for restoration costs over the useful life of an item of property, plant and equipment is not allowed if the entity incurs an obligation when an item of property, plant and equipment is acquired. Like Dutch GAAP, when a obligation arises as a consequence of having used an item during a particular period a provision shall be recognised over that period in accordance with IAS 37. IAS 37 IFRIC 1.1
Major maintenance	If a tangible fixed asset repeatedly undergoes major maintenance after a long period of use, the costs directly related to the major maintenance are recognised: – in the carrying amount of the asset, if the criteria for recognition in the balance sheet are met (component approach); or	Unlike Dutch GAAP, it's not allowed to recognise a provision for maintenance costs because the definition of a liability is not met. IAS 37

	– through a maintenance provision. DAS 252.421 DAS 212.436	
Liabilities arising from participating in a specific market	If and to the extent that the entity is liable for the costs of disposal based on market share in any year, a provision shall be recognised in that year for the share of the estimated disposal costs related to the market share of the entity in that year. If and to the extent that the manufacture or marketing of new products results in a liability for disposal, the entity shall recognise a provision at the time of production or marketing of the products concerned. DAS 252.426, 427	Like Dutch GAAP, participation in the market during the measurement period is the obligating event in accordance with IAS 37. As a consequence, a liability for waste management costs for historical household equipment does not arise as the products are manufactured or sold. Because the obligation for historical household equipment is linked to participation in the market during the measurement period, rather than to production or sale of the items to be disposed of, there is no obligation unless and until a market share exists during the measurement period. The timing of the obligating event may also be independent of the particular period in which the activities to perform the waste management are undertaken and the related costs incurred. IFRIC 6.9
Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds	If an entity participates in a clean-up fund and payments are made to the fund to reimburse or settle the disposal obligations, it shall be established if the payment leads to settlement of the legal or constructive liability of the entity: – if and to the extent that the payment does not lead to settlement of its legal or constructive liability, the entity shall recognise its entitlement to reimbursement from the fund as a separate asset in the balance sheet up to a maximum of the claim on the assets in the clean-up fund available for settlement of the liability of the entity; – if and to the extent that the payment does lead to settlement of its legal or constructive liability, the entity no longer shall recognise this in the balance sheet. DAS 252.428	Like Dutch GAAP, the contributor shall recognise its obligation to pay decommissioning costs as a liability and recognise its interest in the fund separately unless the contributor is not liable to pay decommissioning costs even if the fund fails to pay. In addition, the contributor shall determine whether it has control or joint control of, or significant influence over, the fund by reference to IFRS 10, IFRS 11 and IAS 28. If it does, the contributor shall account for its interest in the fund in accordance with those standards. If a contributor does not have control or joint control of, or significant influence over, the fund, the contributor shall recognise the right to receive reimbursement from the fund as a reimbursement in accordance with IAS 37. This reimbursement shall be measured at the lower of: – the amount of the decommissioning obligation recognised; and – the contributor's share of the fair value of the net assets of the fund attributable to contributors. Changes in the carrying value of the right to receive reimbursement other than contributions to and payments from the fund shall be recognised in profit or loss in the period in which these changes occur.

		IFRIC 5.7-9
Government levies	Government levies are levies imposed by the government other than taxes within the scope of DAS 272 'Income taxes' and fines. A situation may arise that a liability to pay a levy is triggered by past activities while the levy is payable in a later reporting period. An entity shall recognise a levy in either of the following two ways: – in the period to which the levy relates; or – when all the conditions for the levy have been met. The entity shall disclose which method has been used in the notes to the financial statements. DAS 252.429	Unlike Dutch GAAP, an entity shall not recognise a liability to pay a levy if there is no present obligation to pay the levy at the end of the reporting period. The obligating event that gives rise to a liability to pay a levy is the activity that triggers payment of the levy, as identified by the legislation. An entity does not have a constructive obligation to pay a levy that will be triggered by operating in a future period as a result of the entity being economically compelled to continue to operate in that future period. The preparation of financial statements under the going concern assumption does not imply that an entity has a present obligation to pay a levy that will be triggered by operating in a future period. IFRIC 21.8-10

Contingent liabilities	Potential liabilities arising from events up to and including the reporting date, the existence of which depends on the occurrence or non-occurrence of one or more uncertain events in the future, without the entity being able to exercise decisive influence over them. Contingent liabilities require disclosure only (no recognition). If the possibility of outflow is remote, then no disclosure is required.
	Contingent liabilities are part of the 'Liabilities not recognised in the balance sheet', which comprise:
	– contingent liabilities;
	– unrecognised liabilities because
	  – it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
	  – the amount of the obligation cannot be measured with sufficient reliability; and
	– long-term financial liabilities: liabilities arising from a long lease, rental, tenancy, lease, chartering or licensing contract.
	
	DAS 252.205-205
		Unlike Dutch GAAP, the definition of contingent liability is broader. A contingent liability is defined as (in line with the term 'Liabilities not recognised in the balance sheet' under Dutch GAAP):
		– a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
		– a present obligation that arises from past events but is not recognised because:
		  – it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
		  – the amount of the obligation cannot be measured with sufficient reliability.
		
		Like Dutch GAAP, an entity shall not recognise a contingent liability. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in

		the extremely rare circumstances where no reliable estimate can be made. Contingent liabilities may develop in a way not initially expected. Therefore, they are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made). IAS 37.10, 27-30
Contingent assets	Potential assets arising from events up to and including the reporting date, the existence of which depends on the occurrence or non-occurrence of one or more uncertain events in the future, without the entity being able to exercise decisive influence over them. The nature of contingent assets shall be disclosed. An estimate of the financial effect of the benefits shall be given when it is probable that economic benefits will flow to the entity (if practicable). If the realisation of income is virtually certain, the related asset is not a contingent asset and recognition is appropriate. DAS 252.209-212	Like Dutch GAAP, a contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Unlike Dutch GAAP, where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of the reporting period. Like Dutch GAAP, where an inflow of economic benefits is probable, an estimate of the financial effect, measured using the principles set out for provisions, shall be disclosed (if practicable). Like Dutch GAAP, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate. IAS 37.10, 31-35

17. Equity

	Dutch GAAP	IFRS
Definition	The residual interest in the assets of an entity after deducting all of its liabilities. For the classification of financial instruments as equity or as liabilities we refer to the section on financial instruments. DAS 240.0	Like Dutch GAAP, an equity instrument is defined as a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. IAS 32.11
Financial relationship with the shareholders of entity	All changes in equity relating to an entity's financial relationship with its shareholders or members shall be recognised as such directly through equity. DAS 240.403	Like Dutch GAAP, transactions with owners in their capacity as owners shall be recognised as such directly through equity. IAS 1.106
Informal capital contributions	Payments of capital under an entity's financial relationship with its shareholders as such that are made by existing shareholders without an issue of shares or issue of rights to take or acquire shares in the entity are recognised as share premium. Such payments of capital, which are not identified as such in Book 2 DCC, are also referred to as informal capital contributions. Examples of such payments of capital are the extinguishment of losses or forgiveness of a loan by the shareholder. DAS 240.221	Unlike Dutch GAAP, IFRS do not contain specific guidance.
Revaluation reserve	A revaluation reserve (a statutory reserve) is required for assets measured at current value and for which an entity applies accounting policies and principles in which increases in value are not recognised immediately through profit or loss (article 2:390(1) DCC). Article 2:384(7) DCC permits changes in value arising on recognition of financial instruments and other investments at current value to be recognised immediately through profit or loss. Pursuant to article 2:390(1) DCC, no revaluation reserve is formed for increases in value of such assets for which there are frequent price quotations. A revaluation reserve is formed if there are no frequent price quotations. Pursuant to article 2:384(7) DCC, changes in value of agricultural inventories for which there are frequent price quotations may be	Unlike Dutch GAAP, revaluations of property, plant and equipment and intangibles measured at fair value shall be recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Like Dutch GAAP, an increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

	recognised immediately through profit or loss. Pursuant to article 2:390(1) DCC, no revaluation reserve may then be formed. According to the Explanatory Memorandum there are frequent price quotations if assets can be sold immediately at the listed price on a liquid market. According to the Explanatory Memorandum to the Current value Decree, there is a liquid market if the assets concerned are homogenous, willing buyers and sellers can normally be found at any time and the transaction prices are publicly available. If financial instruments, other investments and agricultural inventories for which there are frequent price quotations are measured at current value and increases in value are not recognised immediately through profit or loss but in equity, those increases in value must pursuant to article 2:390(1) DCC be recognised in a revaluation reserve. Reductions in value of assets, other than systematic depreciation, are deducted from the revaluation reserve. To the extent that the revaluation reserve is insufficient, the reduction in value is charged through profit or loss pursuant to article 2:387(4) DCC. The revaluation reserve must not be determined collectively but for each asset. There may not be a negative reserve for an asset. A reduction in value must be recognised through the income statement if it is established that the current value for an asset is lower than the acquisition price or cost of conversion (taking account of depreciation). An asset is regarded as each individually identifiable asset. The realised portion of the revaluation of tangible or intangible fixed assets measured in accordance with the current value model is treated according to the accounting policies used by the legal entity, being: – taken direct to the other reserves; or – recognised as a separate item through profit or loss. Part of the revaluation reserve is realised and transferred when the asset is used. The amount to be transferred is the difference between the depreciation based on the revalued	Like Dutch GAAP, the cumulative revaluation surplus included in equity may be transferred directly to retained earnings when the surplus is realised. Unlike Dutch GAAP, the transfer from the revaluation surplus to retaining earnings cannot be made through profit or loss. IAS 16.39,40 IAS 38.85, 86

	carrying amount and the depreciation based on the original cost of the asset. The revaluation reserve is also reduced if amounts relate to disposed assets. Article 2:390 DCC DAS 210.307, 307 DAS 212.415 DAS 240.224, 226, 227	
Other statutory reserves	The statutory reserves to which article 2:373(4) DCC refers relate to the following situations: – negative charge to a reserve as a result of the conversion of the share capital in a public limited liability company into euros (article 2:67a(2) DCC); – lower share capital as a result of the conversion of the share capital in a public limited liability company into euros (article 2:67a(3) DCC); – contribution in kind without a description of what has been contributed or an auditor's report on the contribution (article 2:94a(6) DCC); – reserve for loans granted to a public limited liability company with a view to taking or acquiring shares in the capital of the entity or depositary receipts for those shares (article 2:98c(4) DCC); – reserve for capitalised costs associated with the incorporation of the company, the issue of shares or costs of research and development (article 2:365(2) DCC); – statutory reserve for participating interests pursuant to article 2:389(6) DCC; – reserve for translation gains and losses (article 2:389(8) DCC); – revaluation of assets (article 2:390 DCC). Statutory reserves are not freely distributable to the shareholders. The statutory reserves to which article 2:373(4) DCC refers are presented either as separate items in equity on the balance sheet, or as a breakdown of the other statutory reserves in the notes. Presentation of the statutory reserves as separate items in equity on the balance sheet is preferred. If the amount of the statutory reserves to be held exceeds the total amount of	Unlike Dutch GAAP, IFRS do not contain specific guidance.

	the reserves, the difference shall be charged to Other reserves. This means that the statutory reserves are the amount that has to be held and that Other reserves are negative. A statutory reserve shall not be determined collectively but individually. Article 2:373(4) DCC DAS 240.229, 230, 232	
Treasury shares	Treasury shares (or depositary receipts for them) that an entity holds or causes to be held may not be capitalised. The value attributed to the interest in a subsidiary shall be reduced in proportion to the interest or otherwise by the acquisition price of shares in the entity of depositary receipts for them that the subsidiary holds or causes to be held on its own account; if it received these shares or depositary receipts for them before it became a subsidiary, their carrying amount at that time or a proportionate part of it shall be deducted. The item of equity that has been reduced by the acquisition price or carrying amount of repurchased treasury shares must be stated. The acquisition price, including the costs of a transaction in treasury shares, or the carrying amount of the shares that the entity or its subsidiary holds or causes to be held, may be deducted from Other reserves. The law also permits the acquisition price or carrying amount of repurchased treasury shares to be deducted from other reserves in equity, provided the articles of association allow this. Article 2:373(3) DCC Article 2 :378(2) DCC Article 2 :385(5) DCC DAS 240.213-215	Like Dutch GAAP, if an entity reacquires its own equity instruments (treasury shares), those instruments shall be deducted from equity. No gain or loss shall be recognised in profit or loss on the purchase, sale, issue or cancellation of an entity's own equity instruments. Such treasury shares may be acquired and held by the entity or by other members of the consolidated group. Consideration pair or received shall be recognised directly in equity. The amount of treasury shares held is disclosed separately either in the balance sheet or in the notes. IAS 32.33, 34
Amounts received in connection with a possible future allotment of shares	Receipts in cash or in kind in exchange for an obligation to allot shares in the entity are recognised in Other reserves, if and to the extent not required to meet the statutory payment obligation of third parties on the shares to be allotted. Receipts under an agreement by way of settlement to meet the statutory payment obligation on allotting the shares are recognised separately in accruals and deferred income. Examples of such obligations are options and warrants. When such	Unlike Dutch GAAP, IFRS do not contain specific guidance.

	obligations are met, the amounts received that were recognised in accruals and deferred income have to be transferred to share premium. As soon as rights granted to take or receive shares can no longer be exercised, the related amounts recognised in accruals and deferred income are transferred to other reserves. DAS 240.210, 212	
Capital reductions	If shares are cancelled, the issued share capital shall be reduced by the nominal value of the cancelled shares with a simultaneous increase in other reserves. Any payment to the shareholders shall be deducted from other reserves. It is also permissible to transfer the share premium relating to these shares to other reserves. If shares are stamped, the issued capital shall be reduced by the amount of the write down. At the same time, in accordance with the resolution on the reduction, there shall be an increase in share premium or other reserves. DAS 240.216, 217	Unlike Dutch GAAP, IFRS do not contain specific guidance.

18. Revenu

	Dutch GAAP	**IFRS**
Option to apply other accounting standards	An entity is permitted to apply IFRS 15 as adopted by the European Union for revenue and related costs relating to the sale of goods and the provision of services instead of paragraph 1 of DAS 270 The income statement, provided there is a full and consistent application of IFRS 15. This also means that IFRS 15 as adopted by the European Union shall be applied to revenue and related costs relating to contracts in progress instead of paragraphs 1 to 4 of DAS 221 'Construction contracts'. DAS 270.101a	Unlike Dutch GAAP, IFRS do not contain such an option.
Components of a transaction	The criteria for the recognition of revenue are usually applied separately to each transaction. However, in certain circumstances, it is necessary to apply the recognition criteria to separately identifiable components of a single transaction in order to reflect the substance of the transaction. For example, when the selling price of a product includes an identifiable	Unlike Dutch GAAP, revenue from a contract shall be allocated to each distinct good or service provided (performance obligation). A good or service is distinct, and therefore shall be considered separately in recognising revenue when: – the customer can benefit from the good or service either on its own or together with other resources that

	amount for subsequent servicing or delivery of goods that amount is not recognised as revenue but as a deferred item and only recognised in the income statement when the servicing or delivery is performed. The recognition criteria are applied to related transactions as a whole if those transactions are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole. For example, an entity may sell goods and, at the same time, enter into a separate agreement to repurchase the goods at a later date. In such a case the substance of the transactions means that there is no sales transaction. DAS 270.109	are readily available to the customer (i.e. the good or service is capable of being distinct); and – the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the good or service is distinct within the context of the contract). IFRS 15.22-30
Warranties	If costs may be incurred because products or services supplied do not meet the agreed standard, a warranty provision shall be recognised for the best estimate of the costs to be reimbursed on products that have been sold or services provided before the reporting date. Such costs are a legal obligation if the products delivered or services provided do not meet the agreed standard. In the same way as for warranties that are a legal obligation, a provision shall be formed if the provision of performance in connection with the products delivered or services provided by the entity by way of service, i.e. without legal obligation, are generally recognised and customary. This provision may be combined with that for warranty obligations that are a legal obligation. DAS 252.408	Unlike Dutch GAAP, if a customer has the option to purchase a warranty separately from a product (for example, because the warranty is priced or negotiated separately), the warranty is a distinct service because the entity promises to provide the service to the customer in addition to the product that has the functionality described in the contract. In those circumstances, an entity shall account for the promised warranty as a separate performance obligation. If a customer does not have the option to purchase a warranty separately from a product, an entity accounts for the warranty in accordance with IAS 37 'Provisions, contingent liabilities and contingent assets' unless the promised warranty, or a part of the promised warranty, provides the customer with a service in addition to the assurance that the product complies with agreed-upon specifications. Whether a warranty contains a service depends on local law, the length of the coverage period, and the nature of the tasks that the entity promises to perform. IFRS 15.B28-33
Customer loyalty programs	A loyalty program is a separately identifiable component of a transaction if: – the credit can be redeemed for goods or services that the entity delivers as part of its normal activities; and – the value of the credit is not insignificant compared with the	Unlike Dutch GAAP, if in a contract an entity grants a customer the option to acquire additional goods or services, that option gives rise to a performance obligation in the contract only if the option provides a material right to the customer that it would not receive without entering into that contract (e.g. a discount that is incremental to the range

	value of the sales for which those credits were issued. If these conditions are met, the credit issued may be allocated to revenue recognised in the period when the credits are redeemed. If no separate component of the transaction is identified on issuing the credit, the revenue of the entire transaction is recognised at the time of the sale for which the credit was issued. The cost of the loyalty program is in this case recognised in the same period. DAS 270.109a	of discounts typically given for those goods or services to that class of customer in that geographical area or market). If the option provides a material right to the customer, the customer in effect pays the entity in advance for future goods or services and the entity recognises revenue when those future goods or services are transferred or when the option expires. IFRS 15.B39-43
Measurement of revenue	Revenue is measured at the fair value of the consideration received or receivable. DAS 270.106	Unlike Dutch GAAP, IFRS contain specific guidance how to measure the transaction price. When a performance obligation is satisfied, an entity shall recognise as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which an entity expects to be entitled to in exchange for transferring promised goods or services to a customer. IFRS 15.46, 47
Variable consideration	A requirement of recognising revenue is that the amount of revenue is able to be measured reliably. When uncertainty about the variable consideration regarding the sales of goods results in a situation that the amount of revenue cannot be measured reliably, no revenue shall be recognised until the amount of revenue can be measured reliably. When uncertainty about variable consideration regarding the rendering of services and construction contracts results in the situation that the outcome of a transaction cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. DAS 221.301 DAS 270.110, 115, 121	Unlike Dutch GAAP, if the consideration promised in a contract includes a variable portion, an entity shall estimate the amount of consideration to which the entity will be entitled to in exchange for transferring the promised goods or services to a customer. Variable consideration is estimated using one of two methods, whichever better predicts the amount of consideration an entity will ultimately be entitled to: – the expected value method: the sum of the probability-weighted amounts in a range of possible consideration amounts. – the most likely amount method: the single most likely amount in a range of possible outcomes. The transaction price includes some or all of an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved (variable consideration constraint). IFRS 15.50-59

Financing component	When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. DAS 270.107	Like Dutch GAAP, the amount of consideration recognised in revenue is adjusted for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer with a significant benefit of financing the transfer of goods or services to the customer. Unlike Dutch GAAP, the amount of consideration recognised in revenue is also adjusted for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the entity a significant benefit of financing the transfer of goods or services to the customer. IFRS 15.60
Principal versus agent	An entity shall assess its transactions to determine whether and to what extent it is receiving amounts for third parties or on its own account. Revenue includes only the gross increase in economic potential received and receivable by the entity on its own account. An entity receives amounts on its own account if it has the significant rights to economic benefits and significant risks relating to the goods or services delivered. Indicators of this include: – the entity has primary responsibility for delivery or performance, for example, because it is responsible to the customer for the goods or services delivered; – the entity has inventory risk; – the entity has freedom of action in setting the price, even if that is indirectly as a result of providing, say, additional goods and services; and – the entity has the credit risk on the amount owed by the customer. No individual characteristic is decisive in itself. 270.105a/b	Unlike Dutch GAAP, 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. However, an entity is not necessarily acting as a principal if the entity obtains legal title of a product only momentarily before legal title is transferred to a customer. An entity that is a principal in a contract may satisfy a performance obligation by itself or it may engage another party (for example, a subcontractor) to satisfy some or all of a performance obligation on its behalf. When an entity that is a principal satisfies a performance obligation, the entity recognises revenue in the gross amount of the consideration that it expects to be entitled to in exchange for those goods or services transferred. IFRS 15 also contains a list of factors that indicate whether an entity is an agent or principal in line with Dutch GAAP. However, these factors are focused on control of the underlying goods and/or services. Credit risk on the amount owed by the customer is not included as factor to consider. IFRS 15.B34-38
Sale of goods	Revenue from the sale of goods is recognised when all the following conditions have been satisfied: – the entity has transferred all significant rights to economic benefits and all significant risks relating to the goods to the buyer;	Unlike Dutch GAAP, an entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised good to a customer. An asset is transferred when the customer obtains control of that good.

	– the entity does not retain such continuing involvement over the goods sold, as with the owner, that it in fact can continue to dispose of those goods and so can decide on their use; – the amount of revenue can be measured reliably; – it is probable that the economic benefits associated with the transaction will flow to the entity; and – the costs incurred or to be incurred or possibly incurred in respect of the transaction can be measured reliably. DAS 270.110	IFRS 15.31
Rendering of services	When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied: – the amount of revenue can be measured reliably; – it is probable that the economic benefits associated with the transaction will flow to the entity; – the stage of completion of the transaction at the reporting date can be measured reliably; and – the costs incurred or to be incurred or possibly incurred to complete the service can be measured reliably. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent to which the costs are covered by the revenue. DAS 270.115, 121	Unlike Dutch GAAP, an entity shall recognise revenue from the rendering of services when (or as) an entity satisfies a performance obligation by transferring a promised service to a customer. Services are assets, even if only momentarily, when they are received and used. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. Unlike Dutch GAAP, revenue shall be recognised over time when one of the following criteria is met: – the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; – the entity's performance creates or enhances an asset (for example, work in process) that the customer controls as the asset is created or enhanced; – 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. The assessment shall be made at contract inception. If a contract does not meet any of the criteria, the entity shall recognise revenue at a point in time rather than over time. If an entity is not able to reasonable measure the outcome of a performance obligation, but the entity expects to recover the costs incurred in satisfying

		the performance obligation. In those circumstances, the entity shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. IFRS 15.31-45
Licenses	Royalties from licenses shall be recognised on an accrual basis in accordance with the substance of the agreement. Royalties shall be recognised when: – it is probable that future economic benefits will flow to the entity; and – the amount of these economic benefits can be measured reliably. DAS 270.124, 125, 128	Unlike Dutch GAAP, if the promise to grant a license is distinct from other promised goods or services in the contract, the recognition of royalties from licenses is based on the nature of a license. The nature of an entity's promise to grant a license to a customer is to provide the customer with either – a right to access the entity's intellectual property throughout the license period or for the license's remaining economic life if shorter; or – a right to use the entity's intellectual property as it exists at the point in time when the license is granted. In case of a right to access an entity shall recognise revenue over time. If that is not case revenue shall be recognised at a point in time. An entity's determination of whether a license is a right to use versus a right to access is based on whether the customer can direct the use of, and obtain substantially all of the benefits from, the license at the point in time the license is granted. The customer can direct the use of, and obtain substantially all of the benefits from, the license if the underlying intellectual property is not significantly affected by the entity's ongoing activities. If that is not the case, an entity shall apply the general provisions whether the performance obligation is satisfied over time or at a point in time. An entity may not recognise revenue from sales- or usage-based royalties related to licenses of intellectual property until the later of: – the subsequent sale or usage; or – the satisfaction of the performance obligation to which some or all of the royalty has been allocated. This requirement is also applicable when a license of intellectual property is the predominant item to which the royalty relates. If the promise to grant a licence is not distinct from other promised goods or services in the contract, an entity shall

		account for the promise to grant a licence and those other promised goods or services together as a single performance obligation. IFRS 15.B52-63B
Repurchase agreements	The accounting for repurchase agreements is based on an assessment of transfer of risks and rewards. DAS 270. Appendix 2	Unlike Dutch GAAP, 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 of the remaining benefits from the asset. Consequently, the entity has not transferred control and shall not recognise revenue from sale of the asset. IFRS 15.B64-76
Construction contracts	When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting date. An expected loss on a construction contract shall be recognised in profit or loss. DAS 221.301	Unlike Dutch GAAP, an entity shall recognise revenue from construction contracts when (or as) an entity satisfies a performance obligation by transferring a promised service to a customer. Services are assets, even if only momentarily, when they are received and used. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. Revenue shall be recognised over time when one of the following criteria is met: – the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; – the entity's performance creates or enhances an asset (for example, work in process) that the customer controls as the asset is created or enhanced; – 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. The assessment shall be made at contract inception. If a contract does not meet any of the criteria, the entity shall recognise revenue at a point in time rather than over time. IFRS 15.31-45
Contract costs	Expenditures associated with contract costs that lead to work performed after	Unlike Dutch GAAP, if the costs incurred in fulfilling a contract with a customer

	the reporting date, shall be recognised as assets if it is probable that they will lead to revenue in a subsequent period. DAS 221.312	shall not be recognised based on another standard (IAS 2 'Inventories', IAS 16 'Property, plant and equipment' or IAS 38 'Intangible assets'), 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. IFRS 15.95
Costs of obtaining a contract	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. DAS 221.207	Unlike Dutch GAAP, 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. IFRS 15.91
Outcome of a construction contract cannot be estimated reliably	When the outcome of a construction contract cannot be estimated reliably: – revenue shall be recognised only to the extent of contract costs incurred that it is probable will be recoverable; and – contract costs shall be recognised as an expense in the period in which they are incurred. DAS 221.314	Like Dutch GAAP, if an entity is not able to reasonable measure the outcome of a performance obligation, but the entity expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the entity shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. IFRS 15.45
Pre-completion sales contracts (property development activities initiated by an entity, involving projects for the development of assets such as housing, offices and shopping centres)	Pre-completion sales contracts entered into 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. If and to the extent an unconditional sales contract for units of the project has been entered into before or during construction, the revenue and costs	Unlike Dutch GAAP, an agreement for the construction of real estate is a construction contract within the scope of IFRS 15. An entity shall assess whether control is transferred at a moment in time or over a period of time. Revenue shall be recognised over time when one of the following criteria is met: – the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; – the entity's performance creates or enhances an asset (for example, work in process) that the customer

	attributable to these units shall be deemed to be contract revenue and costs and recognised in accordance with the percentage of completion in the income statement. DAS 221.219-322	controls as the asset is created or enhanced; – 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. The assessment shall be made at contract inception. If a contract does not meet any of the criteria, the entity shall recognise revenue at a point in time rather than over time. IFRS 15.31-45
Onerous contracts	When it is probable that total contract costs will exceed total contract revenue, the expected loss shall be recognised immediately. DAS 221.323	Unlike Dutch GAAP, IFRS 15 does not contain specific requirements to address construction contracts with customers that are, or have become, onerous, IAS 37 'Provisions, contingent liabilities and contingent assets' applies to such cases. IAS 37 defines an onerous contract as one in which the unavoidable costs of meeting the entity's obligations exceed the economic benefits to be received under that contract. Unavoidable costs are the lower of the net cost of exiting the contract and the costs to fulfil the contract. IAS 37 clarifies the meaning of 'costs to fulfil a contract'. The direct cost of fulfilling a contract comprises: – the incremental costs of fulfilling that contract (for example, direct labour and materials); and – an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of PP&E used to fulfil the contract). IAS 37 also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. IAS 37.5(g) IAS 37.66-69
Presentation of construction contracts in the balance sheet	It is recommended that a construction contract is presented in the balance sheet as a net amount for the contract costs and attributed profit on each project less recognised losses and billed instalments. The net amount of the construction contract may be a debit or a credit balance on the reporting date, depending on the extent of realised contract costs,	Unlike Dutch GAAP, when either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. An entity shall present any unconditional rights to consideration separately as a receivable.

	attributed profit, recognised losses and billed instalments. If the net amount of the construction contract is: – a debit amount, the net amount is recognised as an asset; – a credit amount, the net amount is recognised as a liability. Construction contracts are presented separately in the balance sheet in current assets between inventories and receivables if there is a debit amount. Construction contracts are presented separately in the balance sheet in current liabilities if there is a credit balance. An acceptable alternative to this treatment is to present the net amount of all construction contracts as a single total. If the total net amount of all construction contracts is: – a debit amount, the total net amount is presented in the balance sheet as an asset; – a credit amount, the total net amount is presented in the balance sheet as a liability. A breakdown of the debit and credit balances on individual projects must be presented in the notes. DAS 221.409, 410	IFRS 15.105-109
Public-to-private service concessions arrangements 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 where the operator has an unconditional right to receive a specified amount of cash or other financial asset over the life of the arrangement; or – an intangible asset where the operator's future cash flows are not specified; or – both a financial asset and an intangible asset where the operator's return is provided partially by a financial asset and partially by an intangible asset. DAS 221.5	Like Dutch GAAP, the infrastructure assets shall not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator has access to operate the infrastructure to provide the public service on behalf of the grantor in accordance with the terms specified in the contract. Under the terms of contractual arrangements within the scope of IFRIC 12, the operator acts as a service provider. The operator constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. The operator shall recognise and measure revenue in accordance with IFRS 15 for the services it performs. The nature of the consideration determines its subsequent accounting treatment.

		If the operator provides construction or upgrade services the consideration received or receivable by the operator shall be recognised in accordance with IFRS 15. The consideration may be rights to: – a financial asset; or – an intangible asset. The operator shall recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law. The operator has an unconditional right to receive cash if the grantor contractually guarantees to pay the operator (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if payment is contingent on the operator ensuring that the infrastructure meets specified quality or efficiency requirements. The operator shall recognise an intangible asset to the extent that it receives a right (a licence) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. If the operator is paid for the construction services partly by a financial asset and partly by an intangible asset it is necessary to account separately for each component of the operator's consideration. The consideration received or receivable for both components shall be recognised initially in accordance with IFRS 15. The operator shall account for operation services in accordance with IFRS 15. IFRIC 12.11-20

18A. Revenu

This chapter is based on new standards on the accounting for revenue published by the DASB on 23 December 2020 (RJ-Uiting 2020-15), which are applicable for annual periods beginning on or after 1 January 2022. Earlier application is permitted.

	Dutch GAAP	IFRS
Option to apply other accounting standards	An entity is permitted to apply IFRS 15 as adopted by the European Union for revenue and related costs relating to the sale of goods and the provision of services instead of paragraph 1 of DAS 270 The income statement, provided there is a full and consistent application of IFRS 15. This also means that IFRS 15 as adopted by the European Union shall be applied to revenue and related costs relating to contracts in progress instead of paragraphs 1 to 4 of DAS 221 'Construction contracts'. DAS 221.102a DAS 270.101a	Unlike Dutch GAAP, IFRS do not contain such an option.
Performance obligations	Revenue from a contract shall be recognised for each separate performance obligation. A good or service is distinct, and shall therefore be considered separately in recognising revenue when: – the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and – the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the good or service is distinct within the context of the contract). DAS 221.112 DAS 270.109	Like Dutch GAAP, revenue from a contract shall be allocated to each distinct good or service provided (performance obligation). A good or service is distinct, and shall therefore be considered separately in recognising revenue when: – the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and – the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the good or service is distinct within the context of the contract). IFRS 15.22-30
Allocation of transaction price to performance obligations	Allocation of transaction price based on a relative value basis (stand-alone selling price or fair value). DAS 221.112 DAS 270.109c	Allocation of transaction price based on a relative stand-alone selling prices basis. IFRS 15.73-86
Warranties	If a customer has the option to purchase a warranty separately (for example, because the warranty is priced or negotiated separately), the warranty is a distinct service because the entity promises to provide the service to the customer in addition to the product that has the functionality described in the contract. In those circumstances, an entity shall account for the promised warranty as a separate performance obligation in accordance with paragraph 1 of DAS 270.	Unlike Dutch GAAP, if a customer has the option to purchase a warranty separately from a product (for example, because the warranty is priced or negotiated separately), the warranty is a distinct service because the entity promises to provide the service to the customer in addition to the product that has the functionality described in the contract. In those circumstances, an entity shall account for the promised warranty as a separate performance obligation.

	If a customer does not have the option to purchase a warranty separately, an entity shall account for the warranty in accordance with DAS 252 'Provisions, contingent liabilities and contingent assets' unless the promised warranty, or a part of the promised warranty, provides the customer with a service in addition to the assurance that the product complies with agreed-upon specifications. DAS 221.113 DAS 270.109b	If a customer does not have the option to purchase a warranty separately from a product, an entity accounts for the warranty in accordance with IAS 37 'Provisions, contingent liabilities and contingent assets' unless the promised warranty, or a part of the promised warranty, provides the customer with a service in addition to the assurance that the product complies with agreed-upon specifications. Whether a warranty contains a service depends on local law, the length of the coverage period, and the nature of the tasks that the entity promises to perform. IFRS 15.B28-33
Customer loyalty programs	An option to acquire additional goods or services is a separate performance obligation if the value of the option is not insignificant compared with the value of the sales for which this option was issued. If this condition is met, the customer in effect pays the entity in advance for future goods or services and the entity recognises revenue when those future goods or services are transferred or when the option expires. If this condition is not met, the revenue of the entire transaction is recognised at the time of the sale for which the option was issued. The cost of the option is in this case recognised in the same period. DAS 270.109a	Like Dutch GAAP, if in a contract an entity grants a customer the option to acquire additional goods or services, that option gives rise to a performance obligation in the contract only if the option provides a material right to the customer that it would not receive without entering into that contract (e.g. a discount that is incremental to the range of discounts typically given for those goods or services to that class of customer in that geographical area or market). If the option provides a material right to the customer, the customer in effect pays the entity in advance for future goods or services and the entity recognises revenue when those future goods or services are transferred or when the option expires. Unlike Dutch GAAP, it's not relevant whether the value of the option is insignificant compared with the value of the sales for which this option was issued. IFRS 15.B39-43
Measurement of revenue	When a performance obligation is satisfied, an entity shall recognise as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which an entity expects to be entitled to in exchange for transferring promised goods or services to a customer. DAS 221.112 DAS 270.106	Like Dutch GAAP, when a performance obligation is satisfied, an entity shall recognise as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which an entity expects to be entitled to in exchange for transferring promised goods or services to a customer. IFRS 15.46, 47
Variable consideration	If the consideration promised in a contract includes a variable portion, an entity shall estimate the amount of the consideration to which the entity will be	Like Dutch GAAP, if the consideration promised in a contract includes a variable portion, an entity shall estimate the amount of the consideration to which

	entitled to in exchange for transferring the promised goods or services to a customer. The entity applies prudence when estimating the variable portion. The purpose of using prudence is to ensure that only revenue that is unlikely to be reversed is recognised. For the situation where the estimation uncertainty is so high that the amount of the total revenue and the result cannot be reliably determined, a reference is included to the recognition criteria of revenue regarding goods (DAS 270.110, 113), regarding services (DAS 270.115, 118, 121) and construction projects (DAS 221.3). DAS 221.202a DAS 270.106a	the entity will be entitled to in exchange for transferring the promised goods or services to a customer. Variable consideration is estimated using one of two methods, whichever better predicts the amount of consideration an entity will ultimately be entitled to: – the expected value method: the sum of the probability-weighted amounts in a range of possible consideration amounts. – the most likely amount method: the single most likely amount in a range of possible outcomes. Unlike Dutch GAAP, IFRS contain an explicit variable consideration constraint. The transaction price includes some or all of an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. IFRS 15.50-59
Financing component	If a contract contains a significant financing component, the amount of consideration recognised in revenue is adjusted for the effects of the time value of money. DAS 221.202b DAS 270.107	Like Dutch GAAP, the amount of consideration recognised in revenue is adjusted for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer with a significant benefit of financing the transfer of goods or services to the customer. Like Dutch GAAP, the amount of consideration recognised in revenue is also adjusted for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the entity a significant benefit of financing the transfer of goods or services to the customer. IFRS 15.60
Principal versus agent	An entity shall assess its transactions to determine whether and to what extent it is receiving amounts for third parties or on its own account. Revenue includes only the gross increase in economic potential received and receivable by the entity on its own account. An entity receives amounts on its own account if it has the significant rights to economic benefits and significant risks relating to the goods or services delivered. Indicators of this include:	Unlike Dutch GAAP, 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. However, an entity is not necessarily acting as a principal if the entity obtains legal title of a product only momentarily before legal title is transferred to a customer. An entity that is a principal in a contract may satisfy a performance obligation by itself or it may engage another party (for example, a subcontractor) to satisfy some or all of a

	– the entity has primary responsibility for delivery or performance, for example, because it is responsible to the customer for the goods or services delivered; – the entity controls a promised good or service before the entity transfers the good or service to a customer; – the entity has inventory risk; – the entity has freedom of action in setting the price, even if that is indirectly as a result of providing, say, additional goods and services; and – the entity has the credit risk on the amount owed by the customer. No individual characteristic is decisive in itself. This assessment is primarily based on an assessment of risks and rewards. DAS 221.114 DAS 270.105a/b	performance obligation on its behalf. When an entity that is a principal satisfies a performance obligation, the entity recognises revenue in the gross amount of the consideration that it expects to be entitled to in exchange for those goods or services transferred. IFRS 15 also contains a list of factors that indicate whether an entity is an agent or principal in line with Dutch GAAP. However, these factors focus on control of the underlying goods and/or services. Credit risk on the amount owed by the customer is not included as a factor to consider. IFRS 15.B34-38
Sale of goods	Revenue from the sale of goods is recognised when all the following conditions have been satisfied: – the entity has transferred all significant rights to economic benefits and all significant risks relating to the goods to the buyer; – the entity does not retain such continuing involvement over the goods sold, as with the owner, that it in fact can continue to dispose of those goods and so can decide on their use; – the amount of revenue can be measured reliably; – it is probable that the economic benefits associated with the transaction will flow to the entity; and – the costs incurred or to be incurred or possibly incurred in respect of the transaction can be measured reliably. DAS 270.110	Unlike Dutch GAAP, an entity shall recognise revenue when the entity satisfies a performance obligation by transferring a promised good to a customer. An asset is transferred when the customer obtains control of that good. IFRS 15.31
Rendering of services	When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:	Like Dutch GAAP, an entity shall recognise revenue from the rendering of services when (or as) an entity satisfies a performance obligation by transferring a promised service to a customer. Services are assets, even if only momentarily, when they are received and used. Control of an asset refers to the ability to direct the use of, and obtain substantially

	– the amount of revenue can be measured reliably; – it is probable that the economic benefits associated with the transaction will flow to the entity; – the stage of completion of the transaction at the reporting date can be measured reliably; and – the costs incurred or to be incurred or possibly incurred to complete the service can be measured reliably. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent to which the costs are covered by the revenue. DAS 270.115, 121	all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. Unlike Dutch GAAP, revenue shall be recognised over time when one of the following criteria is met: – the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; – the entity's performance creates or enhances an asset (for example, work in process) that the customer controls as the asset is created or enhanced; – 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. The assessment shall be made at contract inception. If a contract does not meet any of the criteria, the entity shall recognise revenue at a point in time rather than over time. If an entity is not able to reasonable measure the outcome of a performance obligation, but the entity expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the entity shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. IFRS 15.31-45
Licenses	If the promise to grant a license is distinct from other promised goods or services in the contract, the recognition of royalties from licenses is based on the nature of a license. The nature of an entity's promise to grant a license to a customer is to provide the customer with either – a right to use the entity's intellectual property as it exists at the point in time when the license is granted (accounted for as the delivery of a good in accordance with DAS 270.110)); or – a right to access the entity's intellectual property throughout the license period (accounted for as the rendering of a service in accordance with DAS 270.115).	Like Dutch GAAP, if the promise to grant a license is distinct from other promised goods or services in the contract, the recognition of royalties from licenses is based on the nature of a license. The nature of an entity's promise to grant a license to a customer is to provide the customer with either – a right to access the entity's intellectual property throughout the license period or for the license's remaining economic life if shorter; or – a right to use the entity's intellectual property as it exists at the point in time when the license is granted. In case of a right to access an entity shall recognise revenue over time. If that is not case revenue shall be recognised at a

	An entity shall recognise revenue from sales- or usage-based royalties related to licenses of intellectual property when the subsequent sale or usage takes place, taking into account the satisfaction of the performance obligation to which some or all of the royalty has been allocated. DAS 270.124-126	point in time. An entity's determination of whether a license is a right to use versus a right to access is based on whether the customer can direct the use of, and obtain substantially all of the benefits from, the license at the point in time the license is granted. The customer can direct the use of, and obtain substantially all of the benefits from, the license if the underlying intellectual property is not significantly affected by the entity's ongoing activities. If that is not the case, an entity shall apply the general provisions whether the performance obligation is satisfied over time or at a point in time. Like Dutch GAAP, an entity may not recognise revenue from sales- or usage-based royalties related to licenses of intellectual property until the later of: – the subsequent sale or usage; or – the satisfaction of the performance obligation to which some or all of the royalty has been allocated. This requirement is also applicable when a license of intellectual property is the predominant item to which the royalty relates. If the promise to grant a licence is not distinct from other promised goods or services in the contract, an entity shall account for the promise to grant a licence and those other promised goods or services together as a single performance obligation. IFRS 15.B52-63B
Repurchase agreements	The accounting for repurchase agreements is based on an assessment of transfer of risks and rewards. DAS 270.Appendix 2	Unlike Dutch GAAP, 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 of the remaining benefits from the asset. Consequently, the entity has not transferred control and shall not recognise revenue from sale of the asset. IFRS 15.B64-76
Construction contracts	Contract revenue and contract costs associated with the construction contract shall be recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the reporting	Like Dutch GAAP, an entity shall recognise revenue from construction contracts when (or as) an entity satisfies a performance obligation by transferring a promised service to a customer.

	date if the outcome of a construction contract can be estimated reliably. An expected loss on a construction contract shall be recognised in profit or loss. DAS 221.301	Services are assets, even if only momentarily, when they are received and used. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset. Unlike Dutch GAAP, revenue shall be recognised over time when one of the following criteria is met: – the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; – the entity's performance creates or enhances an asset (for example, work in process) that the customer controls as the asset is created or enhanced; – 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. The assessment shall be made at contract inception. If a contract does not meet any of the criteria, the entity shall recognise revenue at a point in time rather than over time. IFRS 15.31-45
Outcome of a construction contract cannot be estimated reliably	When the outcome of a construction contract cannot be estimated reliably: – revenue shall be recognised only to the extent of contract costs incurred that it is probable will be recoverable; and – contract costs shall be recognised as an expense in the period in which they are incurred. DAS 221.314	Like Dutch GAAP, if an entity is not able to reasonable measure the outcome of a performance obligation, but the entity expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the entity shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. IFRS 15.45
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. DAS 221.312	Unlike Dutch GAAP, if the costs incurred in fulfilling a contract with a customer shall not be recognised based on another standard (IAS 2 'Inventories', IAS 16 'Property, plant and equipment' or IAS 38 'Intangible assets'), 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. IFRS 15.95
Costs of obtaining a contract	Costs that relate directly to the project and are incurred in acquiring the contract are part of the contract costs only if it is probable that the contract will be acquired, the costs can be identified separately and the costs can be measured reliably. If costs for the acquisition of a contract are recognised in the income statement in the period in which they arise, they may not be included in the contract costs if the contract is acquired in a subsequent period. DAS 221.207	Unlike Dutch GAAP, 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. IFRS 15.91
Pre-completion sales contracts (property development activities initiated by an entity, involving projects for the development of assets such as housing, offices and shopping centres)	Pre-completion sales contracts entered into 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. If and to the extent an unconditional sales contract for units of the project has been entered into before or during construction, the revenue and costs attributable to these units shall be deemed to be contract revenue and costs and recognised in accordance with the percentage of completion in the income statement. DAS 221.219-322	Unlike Dutch GAAP, an agreement for the construction of real estate is a construction contract within the scope of IFRS 15. An entity shall assess whether control is transferred at a moment in time or over a period of time. Revenue shall be recognised over time when one of the following criteria is met: – the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; – the entity's performance creates or enhances an asset (for example, work in process) that the customer controls as the asset is created or enhanced; – 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. The assessment shall be made at contract inception. If a contract does not meet any of the criteria, the entity shall recognise revenue at a point in time rather than over time. IFRS 15.31-45
Onerous contracts	*Construction contracts* When it is probable that total contract costs will exceed total contract revenue, the expected loss shall be recognised immediately.	Unlike Dutch GAAP, IFRS 15 does not contain specific requirements to address construction contracts with customers that are, or have become, onerous, IAS 37 'Provisions, contingent liabilities and contingent assets' applies to such cases. IAS 37 defines an onerous

	A provision for an onerous construction contract is presented as part of the construction contracts in the balance sheet. *Other contracts* DAS 252 'Provisions, contingent liabilities and contingent assets' applies to such cases. DAS 252 defines an onerous contract as one in which the unavoidable costs of meeting the entity's obligations exceed the economic benefits to be received under that contract. Unavoidable costs are the lower of the net cost of exiting the contract and the costs to fulfil the contract. A provision for other contracts is presented as part of the provisions in the balance sheet. DAS 221.323 DAS 252.404-407	contract as one in which the unavoidable costs of meeting the entity's obligations exceed the economic benefits to be received under that contract. Unavoidable costs are the lower of the net cost of exiting the contract and the costs to fulfil the contract. IAS 37 clarifies the meaning of 'costs to fulfil a contract'. The direct cost of fulfilling a contract comprises: – the incremental costs of fulfilling that contract (for example, direct labour and materials); and – an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of PP&E used to fulfil the contract). IAS 37 also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. Unlike Dutch GAAP, a provision for an onerous contract shall be presented as part of the provisions in the balance sheet. IAS 1.54 IAS 37.5(g) IAS 37.66-69
Presentation of construction contracts in the balance sheet	A construction contract is presented in the balance sheet as a net amount for the contract costs and attributed profit on each project less recognised losses and billed instalments. The net amount of the construction contract may be a debit or a credit balance on the reporting date, depending on the extent of realised contract costs, attributed profit, recognised losses and billed instalments. If the net amount of the construction contract is: – a debit amount, the net amount is recognised as an asset; – a credit amount, the net amount is recognised as a liability. Construction contracts are presented separately in the balance sheet in current assets between inventories and receivables if there is a debit amount. Construction contracts are presented separately in the balance sheet in	Like Dutch GAAP, when either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. An entity shall present any unconditional rights to consideration separately as a receivable. IFRS 15.105-109

	current liabilities if there is a credit balance. DAS 221.409	
Public-to-private service concessions arrangements 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 where the operator has an unconditional right to receive a specified amount of cash or other financial asset over the life of the arrangement; or – an intangible asset where the operator's future cash flows are not specified; or – both a financial asset and an intangible asset where the operator's return is provided partially by a financial asset and partially by an intangible asset. DAS 221.5	Like Dutch GAAP, the infrastructure assets shall not be recognised as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the public service infrastructure to the operator. The operator has access to operate the infrastructure to provide the public service on behalf of the grantor in accordance with the terms specified in the contract. Under the terms of contractual arrangements within the scope of IFRIC 12, the operator acts as a service provider. The operator constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. The operator shall recognise and measure revenue in accordance with IFRS 15 for the services it performs. The nature of the consideration determines its subsequent accounting treatment. If the operator provides construction or upgrade services the consideration received or receivable by the operator shall be recognised in accordance with IFRS 15. The consideration may be rights to: – a financial asset; or – an intangible asset. The operator shall recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law. The operator has an unconditional right to receive cash if the grantor contractually guarantees to pay the operator (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if payment is contingent on the operator ensuring that the infrastructure meets specified quality or efficiency requirements. The operator shall recognise an intangible asset to the extent that it

		receives a right (a licence) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. If the operator is paid for the construction services partly by a financial asset and partly by an intangible asset it is necessary to account separately for each component of the operator's consideration. The consideration received or receivable for both components shall be recognised initially in accordance with IFRS 15. The operator shall account for operation services in accordance with IFRS 15. IFRIC 12.11-20

19. Employee benefits

	Dutch GAAP	**IFRS**
Option to apply other accounting standards	An entity is permitted to apply IFRS as endorsed by the EU, IFRS or US GAAP on pensions and other post-employment benefits rather than DAS 270.3, provided these standards are applied fully and consistently. DAS 271.101	Unlike Dutch GAAP, IFRS do not contain such an option.
Employee benefits during employment	An entity shall recognise the remuneration payable under the employment terms of the employees as an expense in the income statement and, to the extent not paid, as a liability in the balance sheet. The principle is to recognise employee benefits as a charge in the income statement in the period in which the service covered by the remuneration was rendered. If the amounts already paid exceed the remuneration payable, the excess shall be recognised as a prepayment to the extent that there will be repayment by the employees or settlement against future payments by the entity. DAS 271.202	Like Dutch GAAP. However, IFRS make a distinction between short-term employee benefits and other long-term employee benefits. IFRS contain accounting provisions for these categories of employee benefits. Short-term employee benefits (expected to be settled wholly before twelve months after the annual period in which the services were rendered) are recognised as an expense in the period in which the employee renders the service. Unpaid benefit liability is measured at undiscounted amount. Other long-term employee benefits are recognised and measured in the same way as post-employment benefits under a defined benefit plan. However, unlike defined benefit plans, remeasurements are recognised immediately in profit or loss. IAS 19.8, 11, 12, 155, 156
Accumulating paid absences	An entity shall recognise the expected cost during the employment. A liability shall be recognised for this on the reporting date. Accrual of entitlements	Like Dutch GAAP. However, the classification as long-term or short-term employee benefits is relevant.

	is the build-up during employment of an employee's rights to compensated absences which may be claimed or taken in cash by the employee during future reporting periods, such as holidays and sabbatical leave. Accrual of entitlements also includes long-term or short-term profit sharing and bonuses. The liability recognised is the best estimate of the amounts needed to settle the obligation at the reporting date. DAS 271.203, 206	If classified as other long-term employee benefits these are recognised and measured in the same way as post-employment benefits under a defined benefit plan. However, unlike defined benefit plans, remeasurements are recognised immediately in profit or loss. If classified as short-term employee benefits, an entity shall recognise the expected costs when the employees render service that increases their entitlement to these benefits. The entity shall measure the undiscounted amount of accumulating benefits to be paid in exchange for that service. IAS 19 contains specific guidance regarding short-term employee benefits in the form of paid absences and profit-sharing and bonus plans. IAS 19.11-24 IAS 19.153-156
Non-accumulating paid absences	An entity shall recognise the actual or expected cost in the period for which the remuneration is payable. Compensated sick leave and disability leave is an example of no accrual of entitlements. DAS 271.204	Like Dutch GAAP, non-accumulating paid absences do not carry forward: they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the entity. This is commonly the case for sick pay (to the extent that unused past entitlement does not increase future entitlement), maternity or paternity leave and paid absences for jury service or military service. An entity recognises no liability or expense until the time of the absence, because employee service does not increase the amount of the benefit. IAS 19.18
Profit-sharing and bonus plans	An entity shall recognise the expected cost of profit-sharing and bonus payments when, and only when: – the obligation to pay the remuneration arose on or before the reporting date; and – a reliable estimate of the liability can be made. The accounting is in line with the principle to recognise employee benefits as a charge in the income statement in the period in which the service covered by the remuneration was rendered. DAS 271.209	Like Dutch GAAP. However, if profit-sharing and bonus payments are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services, those payments are other long-term employee benefits and shall be accounted for as such. IAS 19.19-24, 153-157
Employees fully or partially unable to work	A provision is formed for liabilities existing at the reporting date for future payment of remuneration (including termination benefits) to employees	Like Dutch GAAP. If the level of benefit is the same for any disabled employee regardless of years of service, the expected cost of those benefits is

	who on the reporting date are expected to remain fully or partially unable to work as a result of illness or disability. The liability recognised is the best estimate of the amounts needed to settle the obligation at the reporting date. DAS 271.205	recognised when an event occurs that causes a long-term disability. If the level of long-term disability benefit depends on the length of services, an obligation arises when the service is rendered. Measurement of that obligation reflects the probability that payment will be required and the length of time for which payment is expected to be made. IAS 19.157
Insurance of occupational disability risks	To the extent that the risk of occupational disability has been insured either through a public scheme or an insurance company, a provision may be formed for the part of the insurance premiums payable in the future that is attributable directly to the individual claims history of the entity. Examples are differential premiums. An acceptable alternative method of recognition is only to recognise such differential premiums in the period(s) in which they become payable. No provision may be formed if a reliable estimate of the amount of the part of the insurance premiums payable in the future that is attributable directly to the individual claims history of the entity cannot be made. DAS 271.210	Unlike Dutch GAAP, IFRS do not allow to recognise a provision for the part of the insurance premiums payable in the future that is attributable directly to the individual claims history of the entity. IAS 19
Dutch pension plans	Pursuant to the Pensions Act ('Pensioenwet'), an entity operating in the Netherlands must transfer legally enforceable pension commitments made to its employees to an autonomous entity separate from the entity, i.e. a pension administrator in the form of: – a company pension fund; – an industry-wide pension fund; or – a life insurance company. These are referred to as 'pension administrator'. In view of the strict segregation of the responsibilities of the entity, the pension administrator and the members, and the allocation of risk between the parties concerned under the Pensions Act, Dutch pension plans are primarily recognised in the financial statements of the entity using an 'obligation to the pension administrator approach'. With this, the obligation arising from a pension commitment made by the entity is based on the funding arrangements	Unlike Dutch GAAP, post-employment benefit plans (such as pensions) are categorised as either defined contribution plans or defined benefit plans. For defined contribution plans, expenses are recognised in the period in which the contribution is payable. For defined benefit plans, a liability (or asset) is recognised in the statement of financial position equal to the net of: – the present value of the defined benefit obligation (the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods); and – the fair value of any plan assets at the end of the reporting period. Plan assets include assets held by a long-term employee benefit fund and qualifying insurance policies. The defined benefit asset is limited to the lower of the surplus in the defined benefit plan and the asset ceiling. The asset ceiling is defined as the present value of any economic benefits available in the form of refunds from the plan or

	set out in the administration agreement between the entity and pension administrator. The entity shall recognise the premium payable to the pension administrator as a charge through profit or loss. The amount payable by the entity under a pension plan generally comprises a recurring annual premium payable to the pension administrator and, if applicable, additional contributions relating to the pension administrator's funding position. To the extent that the premium payable to the pension administrator has not been paid, it shall be recognised as a liability in the balance sheet. If premiums already paid exceed the premium payable to the pension administrator, the excess shall be recognised as a prepayment if there will be a refund by the pension administrator or settlement against future premiums due. The entity shall assess whether, and if so, which obligations exist in addition to the premium payable to the pension administrator at the reporting date. These arise from the administration agreement and/or other agreements with employees. They also arise from employees' valid expectations. The administration agreement for an insured plan is the insurance contract. A provision shall be formed if there are obligations in addition to the premium payable to the pension administrator, if the following conditions are met at the reporting date: – the entity has a legal or constructive obligation to the pension administrator and/or employee; – it is probable that an outflow of resources from the legal entity will be required to settle the obligation; and – the amount of the obligation can be estimated reliably. The contents of both the pension agreement and the pension regulations under which the pension entitlements have been granted to employees and the administration agreement determine the legal obligations of the entity. These obligations are referred to below as obligations to the pension administrator. There may also be	reductions in future contributions to the plan. The change in the defined benefit liability (or surplus) has the following components: – service cost recognised in profit or loss; – net interest (i.e. time value) on the net defined benefit deficit / surplus recognised in profit or loss; – remeasurements including changes in fair value of plan assets that arise from factors other than time value and actuarial gains and losses on obligations recognised in OCI. IAS 19.26-134 IFRIC 14

	commitments to employees which have not or not yet been transferred to a pension administrator. These are referred to below as obligations to the employee. There may also be constructive obligations. A constructive obligation arises when the entity creates valid expectations in communications with the members of a pension plan that go further than set out in the pension agreement, pension regulations and administration agreement. There is also a constructive obligation when the entity has the definite intention to improve or supplement an existing pension plan. Recognition in the financial statements of such entitlements to be granted is based on a detailed plan at the reporting date. There may be an indexation obligation at the reporting date. If indexation granted is borne by the entity and has not been funded at the reporting date, a provision must be formed at the reporting date. Indexation granted relates to automatic indexation or an unconditional decision to do so. A pension receivable shall be recorded in the balance sheet if: – the entity has control over a pension surplus; – it is probable that future economic benefits embodied in the pension receivable will accrue to the entity; and – the amount of the pension receivable can be measured reliably. *Company and industry-wide pension plans* An entity shall form a provision if there is an obligation under the administration agreement on the reporting date and it is probable that the use of a package of measures required to restore the funding ratio at the reporting date will lead to an outflow of resources and the amount can be reliably estimated. *Insured plans* An entity shall recognise a provision if an obligation exists under the contract terms and conditions at the reporting date, it is probable that an outflow of resources will be required and the amount can be estimated reliably.	

	A provision shall be recognised for adjustments to entitlements accrued up to the reporting date that arise from future salary increases already promised at the reporting date and which are borne by the entity. The amount to be recognised as pension provision for the additional obligations in addition to the premium payable to the pension administrator shall be measured at the best estimate of the amounts required to settle those obligations at the reporting date. Where the effect of the time value of money is material, the amount of the obligation shall be the present value of the expenditures expected to be required to settle the obligation. The pre-tax discount rate used shall reflect current market interest rates and shall not reflect risks for which the future expenditures have been adjusted. DAS 271.3	
Post-employment benefit plans regarding the management board-majority shareholder	An entity shall recognise a provision for the pension entitlements in self-administered pension plans of management board-majority shareholders accrued up to the reporting date. The pension entitlements accrued consist of the accrued pension entitlements, including agreed unconditional current or future indexation of the accrued entitlements. A pension plan is self-administered if it is administered by the entity itself or by a parent or management board members' pension entity. This provision shall be measured using an actuarial valuation method generally accepted in the Netherlands. DAS 271.318, 318a	Unlike Dutch GAAP, post-employment benefit plans regarding the management board-majority shareholder are categorised as either defined contribution plans or defined benefit plans and accounted for as such. IAS 19.27
Foreign pension plans	If a foreign pension plan has been set up and operates in a way similar to the Dutch pension system, the obligations arising from foreign pension plans shall be recognised and measured as such. The following elements are important when considering whether a foreign pension plan is comparable with the way in which the Dutch pension system has been set up and operates: – there is an autonomous pension administrator independent of the employer responsible for paying the pensions;	Like Dutch GAAP, foreign pension plans are categorised as either defined contribution plans or defined benefit plans and accounted for as such. IAS 19.26-134 IFRIC 14

	– the entity funds the accrued entitlements in full; – full funding is determined using a generally-accepted actuarial measurement method (in the Netherlands the Financial Assessment Framework (‘Financieel Toetsingskader, ‘FTK’) applies for this); – there is active supervision of the pension funds by an independent regulator (such as the DNB or the Netherlands Authority for the Financial Markets ‘AFM’ in the Netherlands). If foreign pension plan is not comparable with the way in which the Dutch pension system has been set up and operates: – for measurement, the best estimate shall be made of the liability existing at the reporting date. The liability shall be measured using an actuarial measurement method generally accepted in the Netherlands. Recognition, presentation and disclosure shall be as for Dutch pension plans; or – US GAAP, IFRS or IFRS as adopted by the European Union on pensions and other post-employment benefits shall be applied fully and consistently to such plans. DAS 271.321	
Early retirement and similar schemes	The obligations to be recognised under early retirement and similar schemes for employees shall in any event include the obligations towards: – employees who have already decided to use the scheme; – employees who can opt for early retirement under the existing scheme, but who have not yet done so; and – employees who cannot yet take the option, but who may do so in the future during the life of the existing scheme. The measurement of these obligations shall be based on the best estimate of the liability in line with DAS 252 on provisions. Elements in the calculation of the amount are: – the employees covered by the scheme;	Unlike Dutch GAAP, early retirement and similar schemes classify as post-employment benefits and shall be accounted for as such. IAS 19.26-134 IFRIC 14

	– the probability that they will opt to use the scheme; – the ages, salaries and mortality rates of the employees included in the calculation; – the level of the early retirement benefits; – the current and ongoing associated charges for the legal entity (such as contributions for continued pension accrual); – government grants and employees' contributions; and – the discount rate used to calculate the present value. DAS 271.401-403	
Termination benefits	An entity shall recognise a liability if it has demonstrably committed itself unconditionally to pay termination benefits. This is the case, for example, if the entity has made an irrevocable offer to an employee, irrespective of whether the employee has accepted the offer or not. If the termination is part of a restructuring, the entity shall recognise the cost of the termination benefits in a restructuring provision in accordance with DAS 252.413-418 (we refer to the item on restructuring in the section on provisions). DAS 271.503	Like Dutch GAAP, termination benefits are recognised at the earlier of when the entity can no longer withdraw the offer of the benefits and when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. IAS 19.165

20. Share-based payments

	Dutch GAAP	**IFRS**
Scope of the standard	DAS 275 'Share-based payments' does not have to be applied to share-based payments initiated or settled by a person or partnership which is not part of the consolidation base of the entity, with exception of DAS 275.511 regarding disclosure of such a transaction (related party transaction). DAS 275.103a	Unlike Dutch GAAP, IFRS 2 'Share-based payment' is applicable to share-based payment transactions among group entities. IFRS 2.43A-D
Equity-settled share-based payments	An entity shall recognise the goods or services received in a share-based payment transaction at the time it receives the goods or as the services are provided. The goods or services received in a share-based payment transaction are recognised as a expense in the income statement unless they are recognised as an asset.	Like Dutch GAAP, for equity-settled share-based payment transactions, an entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the

	An entity shall increase equity correspondingly if goods or services are received in the context of a share-based payment settled in equity instruments of the entity. A share-based payment in which an entity receives goods or services as consideration for equity instruments of the entity and the corresponding increase in equity shall be recognised at the fair value of the goods and services received unless the fair value cannot be determined reliably. If the fair value of the goods or services received cannot be determined reliably, an entity shall recognise the payment using the fair value of the equity instruments of the entity granted. It is presumed for services provided by employees that it is not possible to reliably estimate the value of these services. Therefore, an entity shall recognise the share-based payment to employees using the fair value of the equity instruments of the entity granted. Share-based payments settled in equity instruments of an entity are recognised at the fair value on the measurement date. Changes in the value of the equity instruments of the entity after that measurement date shall not be recognised. DAS 275.202-203, 301	corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. Like Dutch GAAP, to apply the requirements of equity-settled share-based payment transactions to transactions with employees and others providing similar services, an entity shall measure the fair value of the services received by reference to the fair value of the equity instruments granted, because typically it is not possible to estimate reliably the fair value of the services received. The fair value of those equity instruments shall be measured at grant date. Unlike Dutch GAAP, under IFRS an entity shall measure the equity instruments at their intrinsic value (initially and subsequently) with any change in intrinsic value recognised in profit or loss, if the entity may be unable to estimate reliably the fair value of the equity instruments granted (only in rare cases). IFRS 2.10-13, 24
Cash-settled share-based payments	An entity shall recognise the goods or services received in a share-based payment transaction at the time it receives the goods or as the services are provided. The goods or services received in a share-based payment transaction are recognised as a expense in the income statement unless they are recognised as an asset. An entity shall recognise an obligation if the goods or services are acquired in a share-based payment that is settled in cash. DAS 275.202, 205	Like Dutch GAAP, for cash-settled share-based payment transactions, the entity shall measure the goods or services acquired and the liability incurred at the fair value of the liability taking into account the impact of vesting conditions. Until the liability is settled, the entity shall remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period. IFRS 2.30-33D
Transactions with employees: Effect of conditions relating to share-based payment	If no performance-related conditions have been agreed, an entity shall presume that the services of the employees have already been rendered for the share-based payment. The entity shall recognise these services in full on the grant date with a corresponding entry for the	Like Dutch GAAP, if the equity instruments granted vest immediately, the counterparty is not required to complete a specified period of service before becoming unconditionally entitled to those equity instruments. In the absence of evidence to the contrary, an entity shall presume that services

	equity or the obligation, depending on the manner of settlement. If performance-related conditions are agreed, the value of the share-based payment shall be allocated on a straight-line basis to the periods in which the services are provided. Eventually, the cumulative amount of the expense is based on the part of the share-based payment which is unconditional. DAS 275.303, 304	rendered by the counterparty as consideration for the equity instruments have been received. In this case, on grant date the entity shall recognise the services received in full, with a corresponding increase in equity. If the equity instruments granted do not vest until the counterparty completes a specified period of service, an entity shall presume that the services to be rendered by the counterparty as consideration for those equity instruments will be received in the future, during the vesting period. The entity shall account for those services as they are rendered by the counterparty during the vesting period, with a corresponding increase in equity. IFRS 2.14-15
Share options employees	An entity shall make an accounting policy choice between recognising share options based on the fair value of the share option or on the intrinsic value of the share option. With recognition based on intrinsic value, measurement consequently ignores the time or expectation value of the share option. If the entity decides to account for share options on the basis of intrinsic value, the intrinsic value shall be determined, irrespective of the manner of settlement, at each reporting date and on the settlement date. Any change in the intrinsic value shall be recognised in profit or loss. DAS 275.314	Unlike Dutch GAAP, IFRS do not provide an accounting policy choice to account for share options at fair value or intrinsic value. Equity instruments in a share-based payment shall be measured at fair value at the grant date. In rare cases, the entity may be unable to estimate reliably the fair value of the equity instruments granted. In these rare cases only, the entity shall measure the equity instruments at their intrinsic value (initially and subsequently) with any change in intrinsic value recognised in profit or loss. IFRS 2.24

21. Borrowing costs

	Dutch GAAP	**IFRS**
Capitalisation of borrowing costs	The inclusion of interest on borrowings in the cost of conversion of an asset is only acceptable for qualifying assets, if the future economic benefits attaching to that asset are expected to be large enough to cover the carrying amount of that item including the attributed interest and if those economic benefits can be measured reliably. DAS 273.201	Unlike Dutch GAAP, an entity shall capitalise borrowing costs that are directly attributable the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably.

		IAS 23.8, 9
Other borrowing costs	If borrowing costs are not capitalised, these shall be recognised as an expense. These shall be attributed to successive reporting periods in proportion to the remaining principal sum unless they have been capitalised with qualifying assets. Premiums, discounts and redemption premiums shall be attributed to successive reporting periods as borrowing costs. This shall be done in such a way that along with the interest payable on the loan, the effective interest is recognised in the income statement and the net amortisation value of the debt is recognised in the balance sheet. Amounts of the premium not yet recognised in the income statement and the redemption premiums recognised in the income statement shall be treated as an increase in the debt to which they relate. DAS 273.201	Like Dutch GAAP, if borrowing costs are not recognised an entity shall recognise these costs as an expense in the period in which it incurs them. Like Dutch GAAP, borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. IAS 23.5, 8

22. Government grants

	Dutch GAAP	**IFRS**
Recognition criteria government grants	Government grants shall not be recognised until there is reasonable assurance that: – the entity will comply with the conditions attaching to them; and – the grants will be received. DAS 274.107	Like Dutch GAAP, government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that: – the entity will comply with the conditions attaching to them; and – the grants will be received. A government grant is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. Receipt of a grant does not of itself provide conclusive evidence that the conditions attaching to the grant have been or will be fulfilled. IAS 20.7, 8
Grants related to income	Grants related to income are recognised in the income statement of the year in which the grant-related expenditure is incurred, the revenue is lost or the operating deficit occurs. Grants related to income are presented as part of profit or loss, either separately or under a general heading such as 'Other income';	Like Dutch GAAP, government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Like Dutch GAAP, grants related to income are presented as part of profit or

	alternatively, they are deducted in reporting the related expense. DAS 274.108 DASB Publication 2020-13	loss, either separately or under a general heading such as 'Other income'; alternatively, they are deducted in reporting the related expense. Supporters of the first method claim that it is inappropriate to net income and expense items and that separation of the grant from the expense facilitates comparison with other expenses not affected by a grant. For the second method it is argued that the expenses might well not have been incurred by the entity if the grant had not been available and presentation of the expense without offsetting the grant may therefore be misleading. Both methods are regarded as acceptable for the presentation of grants related to income. Disclosure of the grant may be necessary for a proper understanding of the financial statements. Disclosure of the effect of the grants on any item of income or expense which is required to be separately disclosed is usually appropriate. IAS 20.12, 29-31
Grants related to assets	Grants related to assets are: – recognised as an amount received in advance in accruals and deferred income and may be of a long-term or short-term nature; or – deducted from the amount of the investment itself. Part of the grant related to assets recognised on the balance sheet is released to operating profit each year. This part shall be calculated systematically, reflecting the way in which the expenditure for which the grant was provided is recognised in the financial statements. DAS 274.112-115	Like Dutch GAAP, government grants related to assets, including non-monetary grants at fair value, shall be presented in the statement of financial position either: – by setting up the grant as deferred income; or – by deducting the grant in arriving at the carrying amount of the asset. Like Dutch GAAP, these two methods of presentation in financial statements of grants (or the appropriate portions of grants) related to assets are regarded as acceptable alternatives. One method recognises the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset. The other method deducts the grant in calculating the carrying amount of the asset. The grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense. IAS 20.24-28
Forgivable loan from government	The amount of the borrowings is recognised as a liability in the balance sheet. When it is clear that the facility will not shall be repaid, the entity determines whether the amount released shall be regarded as a grant related to income or a grant related to assets. To the extent that the amount	Like Dutch GAAP, a forgivable loan from the government is treated as a government grant when there is reasonable assurance that the entity will meet the terms of forgiveness of the loan. IAS 20.10

	released shall be deemed to relate to expenditure recognised as operating expenses in previous years, it shall be presented in other operating expenses. DAS 274.109	
Government loan as a below-market rate of interest	If borrowing facilities are obtained at an interest rate below the market rate, the amount recognised as a liability in the balance sheet is measured in accordance with DAS 290 'Financial instruments'. The difference between the higher amount of borrowings received and the carrying amount initially recognised is treated in accordance with DAS 290.501 in respect of the benefit from the lower interest rate. This benefit is recognised as a government grant in accordance with the provisions of DAS 274. DAS 274.110	Like Dutch GAAP, the benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan shall be recognised and measured in accordance with IFRS 9 'Financial instruments'. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. The benefit is accounted for in accordance with IAS 20. IAS 20.10A
Development loans	If repayment of a development loan is dependent upon revenue or the financial results of a project, the proceeds from the loan are deducted from the development expenditures themselves. Repayments of such a development loan and the interest on it are then treated as cost of sales. DAS 274.111	IFRS do not contain specific guidance regarding the accounting for development loans. Generally, a government grant that becomes repayable shall be accounted for as a change in accounting estimate. Repayment of a grant related to income shall be applied first against any unamortised deferred credit recognised in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or when no deferred credit exists, the repayment shall be recognised immediately in profit or loss. Repayment of a grant related to an asset shall be recognised by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised in profit or loss to date in the absence of the grant shall be recognised immediately in profit or loss. IAS 20.32
Non-monetary government grants	Dutch GAAP does not contain specific guidance regarding the measurement of non-monetary government grants. Based on guidance in the appendix of DAS 274 we believe it can be considered acceptable to recognise a non-monetary government grant at cost (nihil).	Unlike Dutch GAAP, under IFRS it's explicitly stated that as an alternative to fair value measurement of the grant it is allowed to measure the grant at a nominal amount. IAS 20.23

23. Income taxes

	Dutch GAAP	IFRS
Current tax	Current tax for current and prior periods shall, to the extent unpaid, be recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognised as an asset. Tax income relating to a tax loss that can be carried back to recover current tax of a previous period shall be recognised as an asset. DAS 272.202	Like Dutch GAAP, current tax for current and prior periods shall, to the extent unpaid, be recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognised as an asset. The benefit relating to a tax loss that can be carried back to recover current tax of a previous period shall be recognised as an asset. When a tax loss is used to recover current tax of a previous period, an entity recognises the benefit as an asset in the period in which the tax loss occurs because it is probable that the benefit will flow to the entity and the benefit can be reliably measured. IAS 12.12-14

Deferred tax on taxable temporary differences	A deferred tax liability shall be recognised for all taxable temporary differences. A deferred tax liability shall also be recognised for taxable temporary differences relating to investments in group companies, non-autonomous foreign units, participating interests and joint ventures, except to the extent that both of the following conditions are satisfied:
	– the parent, investor or venturer is able to control the timing of the reversal of the temporary difference; and
	– it is probable that the temporary difference will not reverse in the foreseeable future.
	
	Although the initial recognition exemption under IFRS is not addressed explicitly by Dutch GAAP we believe that initial recognition exemption is also applicable under Dutch GAAP.
	In an acquisition, an acquirer shall not recognise a deferred tax liability for the goodwill recognised.
	
	DAS 272.104, 301, 316, 505
		Like Dutch GAAP, a deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:
		– the initial recognition of goodwill; or
		– the initial recognition of an asset or liability in a transaction which:
		  – is not a business combination; and
		  – at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
		
		However, an entity shall recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:
		– the parent, investor, joint venturer or joint operator is able to control the timing of the reversal of the temporary difference; and
		– it is probable that the temporary difference will not reverse in the foreseeable future.
		
		IAS 19.15, 39

Deferred tax on deductible temporary differences	A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be	Like Dutch GAAP, a deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible

	available against which the deductible temporary difference can be utilised. A deferred tax asset shall also be recognised for deductible temporary differences related to investments in group companies, non-autonomous foreign units, participating interests and joint ventures, to the extent that, and only to the extent that, it is probable that: – the temporary difference will reverse in the foreseeable future; and – taxable profit will be available against which the temporary difference can be utilised. DAS 272.104 DAS 272.306, 318	temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that: – is not a business combination; and – at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). However, an entity shall recognise a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint arrangements, to the extent that, and only to the extent that, it is probable that: – the temporary difference will reverse in the foreseeable future; and – taxable profit will be available against which the temporary difference can be utilised. IAS 19.24, 44
Unused tax losses and unused tax credits	A deferred tax asset shall be recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The criteria for recognising deferred tax assets arising from the carryforward of unused tax losses and tax credits are the same as the criteria for recognising deferred tax assets arising from deductible temporary differences. However, the existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, when an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. An entity considers the following criteria in assessing the probability that taxable profit will be available against which the unused tax losses or unused tax credits can be utilized: – whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable	Like Dutch GAAP, a deferred tax asset shall be recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. The criteria for recognising deferred tax assets arising from the carryforward of unused tax losses and tax credits are the same as the criteria for recognising deferred tax assets arising from deductible temporary differences. However, the existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, when an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity. An entity considers the following criteria in assessing the probability that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised: – whether the entity has sufficient taxable temporary differences relating to the same taxation authority and the same taxable

	entity which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilized before they expire; – whether it is probable that the entity will have taxable profits before the unused tax losses or unused tax credits expire; – whether the unused tax losses result from identifiable causes which are unlikely to recur; or – whether tax planning opportunities are available to the entity that will create taxable profit in the period in which the unused tax losses or unused tax credits can be utilized. To the extent that it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilized, the deferred tax asset is not recognised. DAS 272.311-313	entity, which will result in taxable amounts against which the unused tax losses or unused tax credits can be utilised before they expire; – whether it is probable that the entity will have taxable profits before the unused tax losses or unused tax credits expire; – whether the unused tax losses result from identifiable causes which are unlikely to recur; and – whether tax planning opportunities (see paragraph 30) are available to the entity that will create taxable profit in the period in which the unused tax losses or unused tax credits can be utilised. To the extent that it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilised, the deferred tax asset is not recognised. IAS 12.34-36
Taxable temporary differences from revaluation	Taxable temporary differences from revaluation will be ignored when determining whether there are sufficient taxable temporary differences. DAS 272.310	Unlike Dutch GAAP, under IFRS *t*axable temporary differences from revaluation are taking into account when determining whether there are sufficient taxable temporary differences. IAS 12.28
Measurement deferred tax assets and liabilities	Deferred tax assets and liabilities shall be measured at nominal or present value. Changes in rates and/or other measures in tax legislation that have been enacted or substantively enacted by the reporting date shall be involved in the measurement of deferred tax assets and liabilities. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets, provisions, liabilities or accruals. DAS 272.401, 403, 404	Unlike Dutch GAAP, deferred tax assets and liabilities shall not be discounted. Like Dutch GAAP, current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Like Dutch GAAP, deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Like Dutch GAAP, the measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle

		the carrying amount of its assets and liabilities. IAS 12.46, 47, 51, 53
Measurement of deferred tax at present value	Because the annual interest addition cannot be taken into account for tax purposes, the valuation at present value shall be discounted on the basis of the net interest rate. Net interest is defined as the interest rate applicable to the entity for long-term loans less tax on the basis of the applicable tax rate. The relationship between deferrals and the assets and liabilities to which they relate determines the calculation of the present value. In many cases, a link can be established with individual assets or liabilities. In calculating the present value, the useful life of the assets and liabilities to which the deferrals relate shall be taken into account. There are tax facilities that allow deferrals to be reclassified to other (mostly new) assets or liabilities at the end of their useful lives. In the event that it is highly probable that no tax settlement will take place for the asset or liability in question during its useful life, the tax settlement based on the intended manner of realisation at the end of the useful life shall be taken into account. In the case of deferrals with a short term, nominal valuation is permitted for practical reasons, even if in the case of other deferrals the valuation at present value has been chosen. Sometimes a link with individual assets or liabilities cannot be established. In that case, the present value of the deferred tax liability shall take into account the probability that such deferred tax liabilities will decrease in total and the period in which they will decrease as well as any other relevant factors. Changes in deferred tax liabilities as a result of the addition of interest shall be recognised as tax expense or income in the income statement unless tax shall be charged or credited directly to equity. DAS 272.405	Unlike Dutch GAAP, measurement of deferred tax at present value is not applicable because deferred tax assets and liabilities shall not be discounted. The reliable determination of deferred tax assets and liabilities on a discounted basis requires detailed scheduling of the timing of the reversal of each temporary difference. In many cases such scheduling is impracticable or highly complex. Therefore, it is inappropriate to require discounting of deferred tax assets and liabilities. To permit, but not to require, discounting would result in deferred tax assets and liabilities which would not be comparable between entities. Therefore, IAS 12 does not require or permit the discounting of deferred tax assets and liabilities. IAS 12.53, 54
Uncertain tax positions	The entity must value (deferred) tax assets and liabilities in accordance with the tax return (or the intended manner of filing the tax return), unless it is unlikely that the tax authorities will	Like Dutch GAAP, an entity has to consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments,

	agree to this. If it is unlikely that the tax authorities will agree to (part of) the tax return, the valuation of this uncertain tax position shall be based on the best estimate of the amount of tax that differs from the (intended) tax return, regardless of whether there is an uncertain tax claim or an uncertain tax liability. DAS 272.402a	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 has to 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 has to 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. The decision shall be based on which method provides better predictions of the resolution of the uncertainty. IFRIC 23.9-11
Items recognised in profit or loss	Tax shall be recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from: – a transaction or event which is recognised, in the same or a different period, directly in equity; or – a business combination. DAS 272.502	Like Dutch GAAP, current and deferred tax shall be recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from: – a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity; or – a business combination (other than the acquisition by an investment entity, as defined in IFRS 10 'Consolidated financial statements', of a subsidiary that is required to be measured at fair value through profit or loss). IAS 12.58
Items recognised outside profit or loss	Tax shall be charged or credited directly to equity if the tax relates to items that are credited or charged directly to equity in the same or a different period. DAS 272.506	Like Dutch GAAP, current tax and deferred tax that relates to items that are recognised, in the same or a different period: – in other comprehensive income, shall be recognised in other comprehensive income; and – directly in equity, shall be recognised directly in equity. IAS 12.61A
Offsetting current tax assets and liabilities	An entity shall offset current tax assets and current tax liabilities if and only if and to the extent that it:	Like Dutch GAAP, an entity shall offset current tax assets and current tax liabilities if, and only if, the entity: – has a legally enforceable right to set off the recognised amounts; and

	– has a legally enforceable right to set off the recognised amounts; and – intends either to settle on a net basis, or to realise the asset and the liability simultaneously. DAS 272.604 DAS 115.305	– intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. IAS 12.71

Offsetting deferred tax assets and liabilities	Although deferred tax assets and liabilities at the end of the reporting period are accounted for and valued separately, they must be netted off in the balance sheet if and to the extent that the following criteria are met:
	– the entity has a legally enforceable right to set off deferred tax assets against non-deductible tax liabilities to the extent that they relate to the same financial year; and
	– the tax deferrals relate to income taxes levied by the same fiscal authority on the same taxable legal person or the same fiscal unit (or a situation similar to that of a fiscal unit abroad, in which different taxable legal persons can settle their net income taxes).
	
	DAS 272.607
		Like Dutch GAAP, an entity shall offset deferred tax assets and deferred tax liabilities if, and only if:
		– the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
		– the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
		  – the same taxable entity; or
		  – different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.
		
		IAS 12.74

Presentation of deferred tax assets and liabilities	A deferred tax asset shall be recorded on a separate line under financial assets and/or current assets (receivables). If part of the deferred tax assets included in the financial fixed assets is expected to be settled within twelve months after the reporting date, this amount shall be separately disclosed or presented under current assets (receivables). The method of presentation shall be explained. For classification of deferred tax assets as non-current or current assets, reference is made to DAS 190.2 'Distinction between fixed and current assets'. Deferred tax liabilities are included in provisions. Pursuant to article 2:374(3) DCC, the notes indicate as far as possible the extent to which provisions are to be regarded as long-term. DAS 272.602	Unlike Dutch GAAP, deferred tax assets and liabilities are presented as non-current items in the statement of financial position. IAS 1.56

24. Financial instruments

	Dutch GAAP	IFRS
Initial recognition	At initial recognition an entity shall recognise a financial asset or financial liability at fair value. DAS 290.501	Like Dutch GAAP, at initial recognition financial instruments shall be recognised at fair value. However, trade receivables shall be recognised at their transaction price. IFRS 9.5.1.1, 3
Transaction costs	The accounting for transaction costs directly attributable to the acquisition or issue of financial instruments depends on the method chosen for subsequent measurement: – if subsequent measurement is at fair value through profit or loss, transaction costs are recognised in the income statement at initial recognition; – if subsequent measurement is at fair value directly in equity, transaction costs are included in the initial measurement; – if subsequent measurement is at amortised cost, transaction costs are included in the initial measurement. As a result of using the effective interest method, the transaction costs form part of amortisation in the income statement. DAS 290.501	Like Dutch GAAP. In case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability shall be included as part of the initial recognition. IFRS 9.5.1.1
Classification of financial assets	Financial assets shall be classified as: – financial instruments part of trading portfolio; – derivatives not part of trading portfolio; – purchased loans and bonds held to maturity; – purchased loans and bonds not part of trading portfolio and not held to maturity; – loans granted and other receivables not part of trading portfolio; – investments in quoted equity instruments not part of trading portfolio; – investments in unquoted equity instruments not part of trading portfolio. DAS 290.4-5	Financial assets shall be classified as: – at amortised cost; – at fair value through other comprehensive income for equity instruments; – at fair value through other comprehensive income for debt instruments; – fair value through profit or loss. The classification of financial assets is based on a business model test and a SPPI contractual cash flows characteristics test. IFRS 9.4.1
Financial instruments part of trading portfolio	Shall be recognised at fair value. Gains or losses arising from changes in the fair value of these financial	Like Dutch GAAP, financial assets part of a trading portfolio shall be measured at fair value through profit or loss. Unlike

	instruments shall be recognised through profit or loss. DAS 290.508, 509	Dutch GAAP, the rationale is that these instruments are not held within a business model whose objective is to hold financial assets in order to collect contractual cash flows or a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Unlike Dutch GAAP, derivatives that are liabilities shall always be measured at fair value through profit or loss, unless some types of hedge accounting are applied. Unlike Dutch GAAP, an entity may, at initial recognition irrevocably designate a financial liability as measured at fair value through profit or loss when permitted by IFRS 9.4.3.5 (regarding hybrid contracts), or when doing so results in more relevant information, because either: – it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or – a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel (as defined in IAS 24 'Related party disclosures'), for example, the entity's management board and chief executive officer. IFRS 9.4.1.2-4 IFRS 9.4.2.1-2
Derivatives not part of trading portfolio	An entity shall measure derivatives according to the subclassification to which they belong. Derivatives held for hedging may be measured at cost or fair value. This choice may be made separately for each type of hedging relationship (for example, fair value hedge accounting for currency hedges on inventory positions and cost price hedge accounting for the interest rate risk on variable rate loans using interest rate derivatives).	Unlike Dutch GAAP, derivatives shall always be measured at fair value through profit or loss unless the derivative is a hedge instrument and hedge accounting is applied (cash flow hedge accounting or a hedge accounting of a net investment in a foreign operation). IFRS 9.4.1.4 IFRS 9.4.2.1

	Other derivatives with listed shares as the underlying shall be measured at fair value. Gains or losses arising from changes in the fair value of such derivatives are recognised through profit or loss. Other derivatives with an underlying other than listed shares may be measured at cost or fair value. If derivatives in this subclassification are measured at fair value, the gains or losses arising from changes in fair value are recognised through profit or loss. If derivatives in this subclassification are measured at cost an entity shall take into account impairment losses. DAS 290.510-513	
Purchased loans and bonds held to maturity	Shall be measured at amortised cost. DAS 290.516	Unlike Dutch GAAP, measurement is dependent on the business model test and the SPPI contractual cash flows characteristics test. IFRS 9.4.1.1-5
Purchased loans and bonds not part of trading portfolio and not held to maturity	Shall be measured at amortised cost or fair value. If fair value is applied, an entity shall make an accounting policy choice between recognising gains and losses arising from changes in the fair value of these instruments: – directly through profit or loss; or – insofar as the accumulated result on an individual financial asset is positive, directly in equity until the asset is realised. When the assets are derecognised, the accumulated result formerly recognised in equity is recognised through profit or loss. In the case of a cumulative reduction in value to below cost, the reduction shall be recognised immediately through profit or loss as only accumulated positive revaluations are recognised directly in equity. DAS 290.515, 518	Unlike Dutch GAAP, measurement is dependent on the business model test and the SPPI contractual cash flows characteristics test. IFRS 9.4.1.1-5
Loans granted and other receivables not part of trading portfolio	Shall be measured at amortised cost. DAS 290.519	Unlike Dutch GAAP, measurement is dependent on the business model test and the SPPI contractual cash flows characteristics test. IFRS 9.4.1.1-5
Investments in quoted equity instruments not part of trading portfolio	Shall be measured at fair value. An entity shall make an accounting policy choice between recognising gains and losses arising from changes in the fair value of these instruments: – directly through profit or loss; or	Unlike Dutch GAAP, these instruments shall be measured at fair value through profit or loss or at fair value through other comprehensive income. This is based on the business model test and whether the

	– insofar as the accumulated result on an individual financial asset is positive, directly in equity until the asset is realised. When the assets are derecognised, the accumulated result formerly recognised in equity is recognised through profit or loss. In the case of a cumulative reduction in value to below cost, the reduction shall be recognised immediately through profit or loss as only accumulated positive revaluations are recognised directly in equity. DAS 290.521	option is applied to designate a financial asset at fair value through profit or loss. IFRS 9.4.1.1-5
Investments in unquoted equity instruments not part of trading portfolio	An entity shall make an accounting policy choice between measurement at cost or fair value. If an entity applies fair value, it shall make an accounting policy choice between recognising gains and losses arising from changes in the fair value of these instruments: – directly through profit or loss; or – insofar as the accumulated result on an individual financial asset is positive, directly in equity until the asset is realised. When the assets are derecognised, the accumulated result formerly recognised in equity is recognised through profit or loss. In the case of a cumulative reduction in value to below cost, the reduction shall be recognised immediately through profit or loss as only accumulated positive revaluations are recognised directly in equity. DAS 290.522	Unlike Dutch GAAP, these instruments shall be measured at fair value through profit or loss or at fair value through other comprehensive income. This is based on the business model test and whether the option is applied to designate a financial asset at fair value through profit or loss. IFRS 9.4.1.1-5
Financial liabilities not part of trading portfolio	Shall be measured at amortised cost. Income and expense from amortisation shall be recognised through profit or loss using the effective interest method. DAS 290.523	Unlike Dutch GAAP, these liabilities shall be measured at amortised cost unless the option is applied to designate a financial liability at fair value through profit or loss because it reduces an accounting mismatch or a group of financial assets and liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel. IFRS 9.4.2
Effective interest method	A method of calculating the amortised cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating interest income and interest expense	Like Dutch GAAP, a method that is used in the calculation of the amortised cost of a financial asset or a financial liability and in the allocation and recognition of the

	over the relevant period on the basis of the effective interest rate. The effective interest rate is the rate that exactly discounts the expected flow of future payments or cash receipts through the expected life of the financial instrument or, when relevant, a shorter period to the net carrying amount of the financial asset or financial liability. The effective interest rate is determined at the time of initial recognition. In calculating the effective interest rate, the entity estimates cash flows taking into account all contractual terms of the financial instrument (for instance prepayment, prepayment and other options), but not future credit losses. The calculation includes all commissions and fees paid or received by the parties to the contract that are an integral part of the effective interest rate, as well as transaction costs, and all other premiums and discounts. DAS 290.0	interest revenue or interest expense in profit or loss over the relevant period. Like Dutch GAAP, the effective interest rate is rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, an entity shall estimate the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but shall not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments). IFRS 9.A
Impairment of financial assets	An entity shall assess at each reporting date whether there is any objective evidence that a financial asset or group of financial assets measured at amortised cost is impaired. If any such evidence exists, the entity shall determine the impairment loss and recognise it through profit or loss (incurred credit loss model). DAS 290.533	Unlike Dutch GAAP, an entity shall recognise a loss allowance for expected credit losses on a financial asset that is measured at amortised cost or measured at fair value through other comprehensive income because it's held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms meets the solely payments of principal and interest test (SPPI contractual cash flows characteristics test), and a lease receivable, a contract asset or a loan commitment to which the impairment requirements apply (expected credit loss model). IFRS 9.5.5
Hedge accounting documentation	An entity has two options when applying hedge accounting: – apply hedge accounting on the basis of generic documentation; or	Unlike Dutch GAAP, hedge accounting shall be applied on the basis of documentation for each individual hedging relationship.

	– apply hedge accounting on the basis of documentation for each individual hedging relationship. DAS 290.613	IFRS 9.6.4.1
Hedge accounting on the basis of generic documentation	If an entity applies hedge accounting on the basis of generic documentation, it shall recognise certain hedged risks consistently over time and by type of hedging relationship in accordance with the hedge accounting provisions if all the following requirements are fulfilled: – the entity shall set out its general hedging strategy, documenting how the hedging relationships meet the risk management objectives and expectations for the effectiveness of these hedging relationships (that is the ability to offset exposure to changes in fair value or cash flows of the hedged risk); – the entity shall describe the hedging instruments in the type of hedging relationship and hedged items; and – the ineffectiveness (that is the degree to which changes in the hedging instrument do not offset those in the hedged item) shall be recognised through profit or loss. Consistent recognition means that the described policy makes it possible to clearly establish if the entity will use hedge accounting for a hedging relationship in a reporting period. DAS 290.614	Unlike Dutch GAAP, it is not allowed to apply hedge accounting on the basis of generic documentation. IFRS 9. 6.4.1
Hedge accounting on the basis of documentation for each individual hedging relationship	If an entity applies hedge accounting on the basis of documentation for each individual hedging relationship, it shall meet all the following requirements at the inception of hedge accounting: – the entity shall document how an individual hedging relationship meets the risk management objectives and describe the hedging strategy, including expectations for the effectiveness of these hedging relationships (that is the ability to offset exposure to changes in fair value or cash flows of the hedged risk); – the entity shall describe the hedging instruments in the individual hedging relationship and hedged items; and	Unlike Dutch GAAP, a hedging relationship qualifies for hedge accounting only if all of the following criteria are met: – the hedging relationship consists only of eligible hedging instruments and eligible hedged items; – at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge; – the hedging relationship meets all of the hedge effectiveness requirements.

	– the ineffectiveness (that is the degree to which changes in the hedging instrument do not offset those in the hedged item) of an individual hedging relationship shall be recognised through profit or loss. DAS 290.615	In order to qualify for hedge accounting, the hedge relationship must meet the following effectiveness criteria: – there is an economic relationship between the hedged item and the hedging instrument; – the effect of credit risk does not dominate the value changes that result from that economic relationship; and – the hedge ratio of the hedging relationship is the same as that actually used in the economic hedge. IFRS 9.6.4.1
Hedge accounting models	The hedge accounting models are: – fair value hedge accounting; – cash flow hedge accounting; – cost hedge accounting; and – hedge of a net investment in a foreign operation. DAS 290.618	Like Dutch GAAP, the hedge accounting models are: – fair value hedge accounting; – cash flow hedge accounting; and – hedge of a net investment in a foreign operation. Unlike Dutch GAAP, cost hedge accounting is not allowed under IFRS. IFRS 9.6.5.2
Fair value hedge accounting	A hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment. The exposure to changes in fair value shall be attributable to a particular risk and could affect profit or loss. This model can only be applied if the hedging instrument is measured at fair value. DAS 290.618	Like Dutch GAAP, a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss. As long as a fair value hedge meets the qualifying criteria, the hedging relationship shall be accounted for as follows: – the gain or loss on the hedging instrument shall be recognised in profit or loss (or other comprehensive income, if the hedging instrument hedges an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income. – the hedging gain or loss on the hedged item shall adjust the carrying amount of the hedged item (if applicable) and be recognised in profit or loss. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through other comprehensive income, the hedging gain or loss on the hedged item shall be recognised in profit or loss. However, if the hedged item is an equity instrument for which an entity has elected to present changes in fair value in other

		comprehensive income, those amounts shall remain in other comprehensive income. When a hedged item is an unrecognised firm commitment (or a component thereof), the cumulative change in the fair value of the hedged item subsequent to its designation is recognised as an asset or a liability with a corresponding gain or loss recognised in profit or loss. IFRS 9.6.5.2, 6.5.8

Cash flow hedge accounting	A hedge of the possible variability of cash flows attributable to a given exposure that attaches to a recognised asset or liability (such as a number of or all future interest payments on a variable interest debt), or a highly probable forecast transaction (such as the expected sale of goods in foreign currency).
	The exposure to changes in cash flows shall be attributable to a particular risk and could affect profit or loss. This model can only be applied if the hedging instrument is measured at fair value and the criteria for hedge accounting have been met.
	
	DAS 290.618
		Like Dutch GAAP, a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability (such as all or some future interest payments on variable-rate debt) or a highly probable forecast transaction, and could affect profit or loss.
		
		As long as a cash flow hedge meets the qualifying criteria, the hedging relationship shall be accounted for as follows:
		– the separate component of equity associated with the hedged item (cash flow hedge reserve) is adjusted to the lower of the following (in absolute amounts):
		  – the cumulative gain or loss on the hedging instrument from inception of the hedge; and
		  – the cumulative change in fair value (present value) of the hedged item (ie the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.
		– the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge (ie the portion that is offset by the change in the cash flow hedge reserve) shall be recognised in other comprehensive income.
		– any remaining gain or loss on the hedging instrument (or any gain or loss required to balance the change in the cash flow hedge reserve) is hedge ineffectiveness that shall be recognised in profit or loss.
		– the amount that has been accumulated in the cash flow hedge reserve shall be accounted for as follows:

		(i) if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the entity shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or the liability. This is not a reclassification adjustment (see IAS 1) and hence it does not affect other comprehensive income. (ii) for cash flow hedges other than those covered by (i), that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment (see IAS 1) in the same period or periods during which the hedged expected future cash flows affect profit or loss (for example, in the periods that interest income or interest expense is recognised or when a forecast sale occurs). (iii) however, if that amount is a loss and an entity expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment (see IAS 1). IFRS 9.6.5.2, 6.5.11
Cost hedge accounting	A hedge of the exposure to changes in fair value or the variability of cash flows while the derivative is measured at cost. This model can only be applied if the hedging instrument is measured at cost and the criteria for hedge accounting have been met. If an entity measures the hedging instrument at cost while the hedged item in the hedging relationship is measured at fair value, the entity may not apply cost hedge accounting and it shall measure the hedging instrument at fair value and recognise it in accordance with the fair value hedge model or the cash flow hedge model.	Unlike Dutch GAAP, this hedge accounting model is not allowed. Under IFRS derivatives shall be measured at fair value with changes through profit or loss. IFRS 9.6.5.2

	DAS 290.618	
Hedge of a net investment in a foreign operation	A hedge of the exposure to changes in the amount of an entity's interest in the net assets of a foreign operation. A foreign operation is an entity that is a group entity, participating interest, joint venture or branch of the entity, the activities of which are based or conducted in a country or currency other than those of the entity. DAS 290.618 DAS 122.0	Like Dutch GAAP, a hedge of a net investment in a foreign operation as defined in IAS 21. A foreign operation is an entity that is a subsidiary, associate, joint arrangement or branch of the entity, the activities of which are based or conducted in a country or currency other than those of the entity. IFRS 9.6.5.2 IAS 21.8
Derecognition of a financial asset	A financial asset shall be derecognised when a transaction means that all or virtually all rights to economic benefits and all or virtually all risks relating to the position have been transferred to a third party. DAS 290.702 DAS 115.110	Unlike Dutch GAAP, a financial asset shall be derecognised when specific criteria have been met. 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. IFRS 9.3.2
Derecognition of a financial liability	A financial liability shall be derecognised when a transaction means that all or virtually all rights to economic benefits and all or virtually all risks relating to the position have been transferred to a third party. DAS 290.702 DAS 115.110	Unlike Dutch GAAP, a financial liability shall be derecognised when it is extinguished (discharged, cancelled or expires). A substantial modification or an exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for an extinguishment of the original financial liability and the recognition of new liability. IFRS 9.3.3
Classifying financial instruments as financial liability, financial asset or equity in the consolidated financial statements	A financial instrument shall be classified or its separate components as a financial liability, financial asset or equity in the consolidated financial statements (based on the substance). The substance of a financial instrument, rather than its legal form, governs its classification as equity, a financial liability or a financial asset. With the exception of a written put option, a financial instrument (or a separate component of a financial asset or a financial liability) is presented as equity in the following cases: – the instrument includes no contractual obligation to deliver cash or another financial asset to another party; or to exchange financial instruments with another entity under conditions that are	Like Dutch GAAP, the classification of financial instruments by an issuer shall be based on the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument. A financial liability is any liability that is: – a contractual obligation: – to deliver cash or another financial asset to another entity; or – to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or – a contract that will or may be settled in the entity's own equity instruments and is: – a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

	potentially unfavourable to the issuer; – if the instrument will or may be settled in the issuer's own equity instruments, there may be no contractual delivery of a variable number of its equity instruments. There is equity only if there is a fixed number of equity instruments; and – if there is a derivative on the issuer's equity instruments, that derivative may only be settled by exchanging a fixed number of its own equity instruments for a fixed amount. A financial liability is distinguished from an equity instrument by a contractual obligation that may lead to payment of cash or delivery of other assets or to conditions that are potentially unfavourable to the issuer. If such an obligation exists, the instrument is a financial liability and not an equity instrument. Substance and legal form are commonly consistent, but not always. However, lack of access to certain contractually arranged foreign currency or a payment being subject to a regulator are not relevant considerations in this context. An inability to comply with an obligation is not an indication of equity. DAS 290.804 DAS 290.801, 802, 803	– a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. As an exception, an instrument that meets the definition of a financial liability is classified as an equity instrument if it has all the features and meets the conditions in IAS 32.16A and 16B or IAS 32.16C and 16D (exception for puttable equity instruments). An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. IAS 32.11, 15, 18
Classifying financial instruments as financial liability or equity in the company-only financial statements	The classification in the company-only financial statements can be based on the legal form or on the basis of the economic reality (substance) of the instrument in accordance with DAS 290.8. If the classification is based on the legal form, the total of the financial instruments that would be recognised as a financial liability on the basis of the economic reality but that are recognised as equity on the basis of the legal form, must be presented separately within equity. The most important conditions must be stated for each instrument included. DAS 240.207	Unlike Dutch GAAP, the classification of financial instruments in the company-only financial statements shall be based on the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument (in line with the classification in the consolidated financial statements). IAS 32.15
Puttable equity instruments: General	A contract that includes an obligation for an entity to repurchase its own equity instruments in exchange for	Like Dutch GAAP, a contract is not an equity instrument solely because it may result in the receipt or delivery of the

	cash or another financial asset contains a financial liability. This is the case even if the contract itself is an equity instrument, such as a written option, which on exercise leads to the repurchase of a fixed number of shares at a fixed price, or a forward contract to repurchase a fixed number of shares at a fixed price. A financial liability is equal on initial recognition to the present value (fair value) of the purchase sum. This fair value is charged against equity. Thereafter the financial liability is measured in accordance with DAS 290.5. If the contract expires without delivery, the carrying amount of the financial liability at the expiry date is reclassified as equity. The entity's contractual obligation to repurchase its own equity instruments gives rise to a financial liability in the amount of the present value of the purchase sum, even if the repurchase obligation is dependent on a counterparty which exercises its right to have the equity instruments repurchased. DAS 290.806-807	entity's own equity instruments. An entity may have a contractual right or obligation to receive or deliver a number of its own shares or other equity instruments that varies so that the fair value of the entity's own equity instruments to be received or delivered equals the amount of the contractual right or obligation. Such a contractual right or obligation may be for a fixed amount or an amount that fluctuates in part or in full in response to changes in a variable other than the market price of the entity's own equity instruments (eg an interest rate, a commodity price or a financial instrument price). Two examples are (a) a contract to deliver as many of the entity's own equity instruments as are equal in value to CU 100 and (b) a contract to deliver as many of the entity's own equity instruments as are equal in value to the value of 100 ounces of gold. Such a contract is a financial liability of the entity even though the entity must or can settle it by delivering its own equity instruments. It is not an equity instrument because the entity uses a variable number of its own equity instruments as a means to settle the contract. Accordingly, the contract does not evidence a residual interest in the entity's assets after deducting all of its liabilities. IAS 32.21
Puttable equity instruments: Exception	There is an exception to treatment as a financial liability for puttable equity instruments. These instruments contain a contractual obligation for an entity to repurchase its equity instruments. In practice, puttable instruments are often issued by cooperatives and open-end unit trusts. Such an instrument is a financial liability according to the definition of a financial liability. It may, however, be presented as equity if it has all of the following features: – it gives the holder a right to a proportionate share of the net assets in the entity on liquidation; – the instrument is subordinated to all other instruments; – all these 'most subordinated' instruments have the same characteristics, for example, they are all puttable; and – the entity has no other financial instruments or contracts in which:	Unlike Dutch GAAP, such puttable instruments shall be classified as equity instruments instead of may be classified as equity instruments under Dutch GAAP. IAS 32.16A-F

	– the forecast cash flows from these instruments or contracts are based largely on the result of the change in net assets of the entity; and – this other instrument or contract can largely limit or set the residual value of the puttable instruments. DAS 290.808	
Contingent settlement provisions	A financial instrument may require the entity to deliver cash or another financial asset, or otherwise settle it in such a way that it would be a financial liability, in the event of the occurrence or non-occurrence of uncertain future events (or on the outcome of uncertain circumstances) that are beyond the control of both the issuer and the holder of the instrument, such as a change in a stock market index, consumer price index, interest rate or taxation requirements, or the issuer's future revenues, net income or debt-to-equity ratio. The issuer of such an instrument does not have the unconditional right to actively avoid delivering cash or another financial asset. An exception to this is a financial instrument under which the issuer can be required to settle the obligation in cash or another financial asset (or otherwise to settle it in such a way that it would be a financial liability) only in the event of liquidation of the issuer. DAS 290.809	Like Dutch GAAP, a financial instrument may require the entity to deliver cash or another financial asset, or otherwise to settle it in such a way that it would be a financial liability, in the event of the occurrence or non-occurrence of uncertain future events (or on the outcome of uncertain circumstances) that are beyond the control of both the issuer and the holder of the instrument, such as a change in a stock market index, consumer price index, interest rate or taxation requirements, or the issuer's future revenues, net income or debt-to-equity ratio. The issuer of such an instrument does not have the unconditional right to avoid delivering cash or another financial asset (or otherwise to settle it in such a way that it would be a financial liability). Therefore, it is a financial liability of the issuer unless: – the part of the contingent settlement provision that could require settlement in cash or another financial asset (or otherwise in such a way that it would be a financial liability) is not genuine; – the issuer can be required to settle the obligation in cash or another financial asset (or otherwise to settle it in such a way that it would be a financial liability) only in the event of liquidation of the issuer; or – the instrument has all the features and meets the conditions in IAS 32.16A and 16B (exception for puttable equity instruments). IAS 32.25
Preference share, with or without cumulative dividend: The preference dividend is set annually and is only dependent on the entity's profit for that year	Option to recognise this instrument as equity or as a financial liability. If a condition for paying a dividend is the availability of sufficient profit in any year, the entity has a contingent obligation. This obligation only becomes unconditional once sufficient profit becomes available. However, profit-based distributions are in fact an	Unlike Dutch GAAP, these preference shares shall be classified as a financial liability. IAS 32.25

	essential characteristic of equity. For the purpose of presentation, the entity has the choice of classifying instruments with such a condition for distribution as equity or a liability. It must disclose its choice in the notes. DAS 290.805, 810	
Compound financial instruments	An entity shall classify separately the debt and equity components of a single compound instrument issued by the entity such as convertible debt. DAS 290.813	Like Dutch GAAP, an issuer of a non-derivative financial instrument shall evaluate the terms of the financial instrument to determine whether it contains both a liability and an equity component. Such components shall be classified separately as financial liabilities, financial assets or equity instruments. IAS 32.28
Treasury shares	Treasury shares or depositary receipts for them that the entity holds or causes to be held may not be capitalised. The value attributed to the interest in a subsidiary shall be reduced in proportion to the interest or otherwise by the acquisition price of shares in the entity of depositary receipts for them that the subsidiary holds or causes to be held on its own account; if it received these shares or depositary receipts for them before it became a subsidiary, their carrying amount at that time or a proportionate part of it shall be deducted. The capital shall not be reduced by the amount of treasury shares or depositary receipts for them held by the entity or a subsidiary. Article 2:373(3) DCC Article 2:385(5) DCC DAS 290.820	Like Dutch GAAP, cost of treasury shares is deducted from equity, and resales of treasury shares are equity transactions. IAS 32.33
Interest and dividends	Interest, dividends, losses and gains relating to a financial instrument or a component presented as a financial liability shall be recognised as income or expense in profit or loss. Distributions to holders of an equity instrument shall be debited by the entity directly to equity, net of any related income tax benefit. DAS 290.821	Like Dutch GAAP, interest, dividends, losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in profit or loss. Distributions to holders of an equity instrument shall be recognised by the entity directly in equity. IAS 32.35
Transaction costs	Transaction costs of an issue of equity instruments other than costs for the issue of an equity instrument must be treated as a deduction from equity. DAS 290.821	Like Dutch GAAP, transaction costs of an equity transaction shall be accounted for as a deduction from equity. IAS 32.35

25. Leases

	Dutch GAAP	IFRS
Lessee accounting: Lease classification	Lessees shall classify a lease as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers all or substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. DAS 292.118	Unlike Dutch GAAP, a lessee shall apply a single lessee accounting model. Applying that model, a lessee is required to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. IFRS 16.5, 22
Lessee accounting: Finance leases	At the commencement of the lease term, lessees shall recognise finance leases as assets and liabilities in their balance sheets at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount initially recognised as an asset. Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability (average for each period). For practical reasons, a calculation method that approximates this approach may be used. Contingent rents shall be charged as expenses in the periods in which they are incurred. A finance lease gives rise to depreciation expense for depreciable assets as well as a finance charge. DAS 292.201-207	Unlike Dutch GAAP, lessees shall apply a single lessee accounting model in which a lessee is required to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. This accounting model for lessees is similar to the accounting of finance leases under Dutch GAAP. IFRS 16.5, 22
Lessee accounting: Operating leases	Lessees recognise lease payments (excluding costs for services such as insurance and maintenance) as an expense on a straight-line basis over the lease term unless another systematic basis is representative of the pattern of proceeds from the leased asset benefits. DAS 292.211	Unlike Dutch GAAP, lessees shall apply a single lessee accounting model in which a lessee is required to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. IFRS 16.5, 22
Lessor accounting: Lease classification	Lessors shall classify a lease as either an operating lease or a finance lease.	Like Dutch GAAP, a lessor shall classify each of its leases as either an operating

	A lease is classified as a finance lease if it transfers all or substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. DAS 292.118-123	lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. IFRS 16.61-66
Lessor accounting: Finance leases	Lessors shall recognise assets held under a finance lease in their balance sheets and present them as a receivable at an amount equal to the net investment in the lease. Lessors shall recognise finance income over the lease term, based on a pattern that reflecting a constant periodic rate of return on the lessor's net investment in the lease. DAS 292.301	Like Dutch GAAP, at the commencement date, a lessor shall recognise assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease. Like Dutch GAAP, a lessor shall recognise finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. Like Dutch GAAP, a lessor aims to allocate finance income over the lease term on a systematic and rational basis. A lessor shall apply the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. IFRS 16.67, 75, 76
Lessor accounting: Initial direct costs under finance leases	For finance leases other than those involving manufacturer or dealer lessors, initial direct costs are included in the initial measurement of the lease receivable and reduce the amount of income recognised over the lease term. The implicit interest rate is, therefore, set taking these initial direct costs into account. Therefore, these costs may be recognised directly as an expense. DAS 292.303	Like Dutch GAAP, initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term. The interest rate implicit in the lease is defined in such a way that the initial direct costs are included automatically in the net investment in the lease; there is no need to add them separately. A manufacturer or dealer lessor shall recognise as an expense costs incurred in connection with obtaining a finance lease at the commencement date because they are mainly related to earning the manufacturer or dealer's selling profit. Costs incurred by manufacturer or dealer lessors in connection with obtaining a finance lease are excluded from the definition of initial direct costs and, thus, are excluded from the net investment in the lease. IFRS 16.69, 74

Lessor accounting: Manufacturer or dealer lessors	Manufacturers or dealers who themselves act as lessors shall recognise selling profit or loss in accordance with the policy followed by an entity for outright sales. If rates of interest quoted are significantly below-market rates of interest, the selling profit or loss shall be reduced by the difference between the present value of the future lease payments calculated at the interest rate charged and at the market rate of interest. Initial direct costs of such manufacturers or dealers shall be recognised as an expense when the selling profit is recognised. The interest income shall be recognised such that a constant periodic return is made in each year of the lease term, calculated on the (average for each period) remaining net investment relating to the finance lease. DAS 292.304-308	Like Dutch GAAP, tt the commencement date, a manufacturer or dealer lessor shall recognise the following for each of its finance leases: – revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing to the lessor, discounted using a market rate of interest; – the cost of sale being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value; and – selling profit or loss (being the difference between revenue and the cost of sale) in accordance with its policy for outright sales to which IFRS 15 applies. A manufacturer or dealer lessor shall recognise selling profit or loss on a finance lease at the commencement date, regardless of whether the lessor transfers the underlying asset as described in IFRS 15. IFRS 16.71-73
Lessor accounting: Operating leases	Lessors shall present assets subject to operating leases in their balance sheets according to the nature of the asset. Lease income (excluding charges for services such as insurance and maintenance) shall be recognised as a component of the lease payments by the lessor on a time proportionate basis over the lease term, unless another basis is more representative of the pattern in which economic benefit derived from the leased asset is diminished in the specific circumstances. DAS 292.312, 313	Like Dutch GAAP, a lessor shall recognise lease payments from operating leases as income on either a straight-line basis or another systematic basis. The lessor shall apply another systematic basis if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. IFRS 16.81
Lessor accounting: Initial direct costs under operating leases	Initial direct costs, other than selling expenses, incurred by lessors in arranging an operating lease shall be recognised over the lease term on the same basis as the lease income or as an expense in the income statement. Initial costs do not include sums paid by the lessor to the lessee or third parties as an incentive to the lessee to enter into an agreement. These costs are recognised on a time proportionate basis over the lease term, unless another method of allocating to the income generated by	Unlike Dutch GAAP, a lessor shall add initial direct costs incurred in obtaining an operating lease to the carrying amount of the underlying asset and recognise those costs as an expense over the lease term on the same basis as the lease income. IFRS 16.83

	the leased asset is more representative. DAS 292.315	
Sale and leaseback transactions	*Finance leaseback* If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount shall not be immediately recognised in the financial statements as income by a seller-lessee. Instead, it shall be deferred and amortised over the lease term. *Operating leaseback* If a sale and leaseback transaction results in an operating lease, it shall be treated as follows: – If the sale price is equal to the fair value, any profit or loss shall be recognised immediately in the income statement of the seller/lessee. – If the sale is above fair value, the difference between the sale price and the fair value shall be recognised as an accrual and released to the income statement over the period during which the asset is expected to be used as this difference will be recovered through higher future (above market price) lease payments. If at that time the fair value is higher than the carrying amount, the difference between the fair value and the carrying amount shall be recognised immediately as income (book profit) in the income statement. Any negative difference between the fair value and the carrying amount shall be recognised immediately as an expense (book loss). – If the sale price is below fair value, the positive difference between the sale price and the carrying amount shall be recognised immediately in the income statement and any negative difference between the sale price and the carrying amount shall be recognised immediately as an expense, unless, and to the extent, that the difference between the sale price and the fair value is offset because the future lease payments are lower than market lease payments. In that case: – only the expense, to the extent offset by the future lower lease	Unlike Dutch GAAP, under IFRS an entity shall determine whether the transfer of the asset is a sale. The entity shall apply the requirements for determining when a performance obligation is satisfied in IFRS 15 'Revenue from contracts with customers'. *Transfer of the asset is a sale* The seller-lessee shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. Accordingly, the seller-lessee shall recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. If the fair value of the consideration for the sale of an asset does not equal the fair value of the asset, or if the payments for the lease are not at market rates, an entity shall make the following adjustments to measure the sale proceeds at fair value: – any below-market terms shall be accounted for as a prepayment of lease payments; and – any above-market terms shall be accounted for as additional financing provided by the buyer-lessor to the seller-lessee. The buyer-lessor shall account for the purchase of the asset applying applicable Standards, and for the lease applying the lessor accounting requirements in IFRS 16. *Transfer of the asset is not a sale* The seller-lessee shall continue to recognise the transferred asset and shall recognise a financial liability equal to the transfer proceeds. It shall account for the financial liability applying IFRS 9 'Financial instruments'. The buyer-lessor shall not recognise the transferred asset and shall recognise a financial asset equal to the transfer proceeds. It shall account for the financial asset applying IFRS 9. IFRS 16.100-103

	payments, is treated as a prepayment and amortised to the income statement in proportion to the lease payments over the period for which the asset is expected to be used; or – the full amount being offset by the future lower lease payments is treated as a prepayment and amortised to the income statement in proportion to the lease payments over the period for which the asset is expected to be used. DAS 292.402, 404	
Evaluating the substance of transactions involving the legal form of a lease	A series of transactions including a lease is linked and shall be accounted for as one transaction when the overall economic effect cannot be understood without reference to the series of transactions as a whole. The recognition of such a series shall reflect the substance of the agreement. All aspects and implications of an agreement shall be evaluated to determine its substance, with weight given to those aspects and implications that have an economic effect. DAS 292.501-510	Like Dutch GAAP, transactions that involve the legal form of a lease shall be assessed to determine whether these transactions contain lease under IFRS. IFRS 16.9, B9-B31

26. Discontinued operations

	Dutch GAAP	**IFRS**

Definition	A discontinued operation is an operation not being continued in the long term and this is defined as a component of an entity that:
	– as a result of a set plan, the entity will:
	  – dispose of in full or virtually in full, for example as a result of a single sales transaction, a demerger or transfer of ownership, or
	  – dispose of in sections, for example, by the sale of individual assets or the settlement of individual liabilities of the component, or
	  – wind up or close;
	– represents a separate major line of business or that supplies goods or services in a separate major
		Unlike Dutch GAAP, a discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and:
		– represents a separate major line of business or major geographical area of operations;
		– is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
		– is a subsidiary acquired exclusively with a view to resale.
		
		IFRS 5.32

	geographical area or to a separate major group of customers, and – can be clearly distinguished operationally and for financial reporting purposes. DAS 345.201	
Discontinued operations: Presentation & disclosures	Disclosures on discontinued operations shall be made by an entity for the first time if any of the following initial events occurs: – the entity has entered into an agreement on the sale of all or virtually all of assets of an operation; or – the authorised bodies of the entity have approved a detailed, formal plan that leads to the termination of an operation and have announced the plan. DAS 345.301	Unlike Dutch GAAP, an entity shall not only disclose information on discontinued operations but shall also present a single amount in the statement of comprehensive income comprising the total of the post tax profit or loss of discontinued operations for the period and the post tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting discontinued operations. IFRS 5.33-36A

27. Segment reporting

	Dutch GAAP	**IFRS**
Scope of the standard	If an entity wishes to provide additional segment information in its financial statements, it is recommended that this is done in accordance with DAS 350.3 on segment information. DAS 350.103	Unlike Dutch GAAP, IFRS 8 on segment reporting applies to the consolidated financial statements of a group with a parent (and to the separate or individual financial statements of an entity): – whose debt or equity instruments are traded in a public market; or – that files, or is in the process of filing, its (consolidated) financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market. If an entity that is not required to apply IFRS 8 chooses to disclose information about segments that does not comply with IFRS 8, it shall not describe the information as segment information. IFRS 8.2, 3
Segment information: Revenue	The insight required by law into the composition of revenue by line of business and individual geographical area shall be provided as numerical information. The amounts shall reconcile with the revenue in the income statement. DAS 350.202	Like Dutch GAAP, an entity shall disclose revenues from external customers attributed to the entity's country of domicile and attributed to all foreign countries in total from which the entity derives revenues. If revenues from external customers attributed to an individual foreign country are material, those revenues shall be disclosed separately.

		IFRS 8.33
Segment information: Operating segments	An operating segment is an activity of an entity: – that can generate revenues and incur expenses (even if the revenues and expenses are from transactions with other segments of the entity); – whose results are regularly reviewed by the management board to make decisions about resources to be allocated to the segment and assess its performance; and – for which discrete financial information is available. DAS 350.304-306	Like Dutch GAAP, an operating segment is a component of an entity: – that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), – whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and – for which discrete financial information is available. Unlike Dutch GAAP, the term 'chief operating decision maker' identifies a function, not necessarily a manager with a specific title. That function is to allocate resources to and assess the performance of the operating segments of an entity. Often the chief operating decision maker of an entity is its chief executive officer or chief operating officer but, for example, it may be a group of executive directors or others. IFRS 8.5-10
Segment information: Reportable segments	An operating segment must be regarded as a reportable segment if it meets any of the following quantitative thresholds: – the revenue of the segment, including both sales to external customers and intersegment sales, is 10% or more of the total revenue of the segments; – the profit or loss of the segment is 10% or more of the greater, in absolute amounts, of either the combined reported profit of all operating segments that did not report a loss or the combined reported loss of all operating segments that reported a loss; – the assets of the segment are 10% or more of the total of the assets of the segments. If the quantitative thresholds are not met, the information on the operating segment may still be reported separately. Operating segments may be combined into reportable segments if they do not meet the quantitative thresholds. Combination is only possible if the	Like Dutch GAAP, an entity shall report separately information about each operating segment that: – has been identified in accordance with IFRS 8.5–10 or results from aggregating two or more of those segments in accordance with IFRS 8.12, and – exceeds the quantitative thresholds in IFRS 8.13 (included below). *Aggregation criteria* Operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. For example, similar long-term average gross margins for two operating segments would be expected if their economic characteristics were similar. Two or more operating segments may be aggregated into a single operating segment if aggregation is consistent with the core principle of IFRS 8, the segments have similar economic characteristics, and the segments are similar in each of the following respects: – the nature of the products and services;

	operating segments have similar commercial characteristics and meet a majority of the remaining aggregation criteria. DAS 350.308-311	– the nature of the production processes; – the type or class of customer for their products and services; – the methods used to distribute their products or provide their services; and – if applicable, the nature of the regulatory environment, for example, banking, insurance or public utilities. *Quantitative thresholds* An entity shall report separately information about an operating segment that meets any of the following quantitative thresholds: – Its reported revenue, including both sales to external customers and intersegment sales or transfers, is 10 per cent or more of the combined revenue, internal and external, of all operating segments. – The absolute amount of its reported profit or loss is 10 per cent or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that reported a loss. – Its assets are 10 per cent or more of the combined assets of all operating segments. Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if management believes that information about the segment would be useful to users of the financial statements. An entity may combine information about operating segments that do not meet the quantitative thresholds with information about other operating segments that do not meet the quantitative thresholds to produce a reportable segment only if the operating segments have similar economic characteristics and share a majority of the aggregation criteria listed in IFRS 8.12. If the total external revenue reported by operating segments constitutes less than 75 per cent of the entity's revenue, additional operating segments shall be identified as reportable segments (even if they do not meet the criteria in IFRS 8.13) until at least 75 per cent of the entity's revenue is included in reportable segments.

		IFRS 8.11-19
Segment information: Measurement	If an entity opts to provide supplementary segment information, this must be derived from the internal information submitted to the management board of the entity. The way in which the management board manages the activities and receives information on them governs the determination of the segment information. The accounting policies used for internal information may differ from those for the financial statements themselves. It is recommended that the segment information is based on the accounting policies used for the financial statements themselves. DAS 350.301	Like Dutch GAAP, the amount of each segment item reported shall be the measure reported to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance. Adjustments and eliminations made in preparing an entity's financial statements and allocations of revenues, expenses, and gains or losses shall be included in determining reported segment profit or loss only if they are included in the measure of the segment's profit or loss that is used by the chief operating decision maker. Similarly, only those assets and liabilities that are included in the measures of the segment's assets and segment's liabilities that are used by the chief operating decision maker shall be reported for that segment. If amounts are allocated to reported segment profit or loss, assets or liabilities, those amounts shall be allocated on a reasonable basis. IFRS 8.25, 26

28. Earnings per share

	Dutch GAAP	**IFRS**
Earnings per share: Scope	An entity which voluntarily reports earnings per share in their financial statements shall calculate and report earnings per share in accordance with DAS 340 Earnings per share. If both company-only and consolidated financial statements are presented, the information required need to be presented only on the basis of the consolidated information. DAS 340.101-102	Unlike Dutch GAAP, the provisions on earnings per share included in IAS 33 are applicable to publicly-traded entities and entities in the process of issuing such shares and any other entity voluntarily presenting EPS. Like Dutch GAAP, an entity presents basic and diluted EPS: – for each class of ordinary share that has a different right to share in profit for the period; – with equal prominence; – for all periods presented. IAS 33.2-4A, 66-67A
Earnings per share: Calculation of earnings per share	Earnings per share shall be calculated by dividing the profit or loss attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. For the purpose of calculating diluted earnings per share, an entity shall adjust the profit or loss attributable to ordinary equity holders and the weighted average number of shares	Luke Dutch GAAP, basic earnings per share shall be calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. Like Dutch GAAP, for the purpose of calculating diluted earnings per share, an entity shall adjust profit or loss attributable to ordinary equity holders of

	outstanding for the effects of all dilutive potential ordinary shares. DAS 340.201, 211	the parent entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. IAS 33.10, 31

Abbreviations used in this publication

BV	A Dutch private limited liability company.
DAS	Dutch Accounting Standards The Dutch Accounting Standards are called Guidelines for Annual Reporting. Both the Guidelines and the draft Guidelines are based on the applicable statutory regulations, as mainly contained in Title 9 Book 2 DCC
DASB	Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving') The DASB is composed of representatives of organisations representative of the category of providers, users and auditors of information provided in external reporting, in particular in the financial statements of legal entities or other legal entities. The appointment of the members of the DASB is made by the board on the recommendation of an appointment committee. The independent chairman of the DASB is also appointed by the board of the Foundation for Annual Reporting
DCC	Dutch Civil Code
Dutch GAAP	Generally Accepted Accounting Standards in the Netherlands, comprising the Dutch Civil Code (DCC) and the Dutch Accounting Standards (DASs) published by the DASB
IASB	International Accounting Standards Board
IAS	International Accounting Standards
IFRIC	Interpretation published by the IASB
IFRS	International Financial Reporting Standards
NV	A Dutch public limited liability company
SIC	Standard Interpretations Committee
SPPI	Solely payments of principal and interest on the principal amount outstanding
Title 9	Title 9 Book 2 DCC; part of DCC which contain provisions regarding the financial statements and management board report

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