
**SINGAPORE FINANCIAL REPORTING STANDARDS
(INTERNATIONAL)**

**SFRS(I) INT 10
Interim Financial Reporting and Impairment**

This Interpretation is applicable for annual reporting period beginning on
1 January 2023.

CONTENTS

from paragraph

SFRS(I) INTERPRETATION 10
INTERIM FINANCIAL REPORTING AND IMPAIRMENT

REFERENCES

BACKGROUND	1
ISSUE	3
CONSENSUS	8
EFFECTIVE DATE AND TRANSITION	10

SFRS(I) INT 10

SFRS(I) Interpretation 10 *Interim Financial Reporting and Impairment* (SFRS(I) INT 10) is set out in paragraphs 1–14. SFRS(I) INT 10 should be read in the context of the Basis for Conclusions on International Financial Reporting Standards. The scope and authority of Interpretations are set out in the *Preface to Singapore Financial Reporting Standards (International)*.

Preface

Singapore Financial Reporting Standards (International) (SFRS(I)s) are available for entities to apply for annual reporting periods beginning on or after 1 January 2018.

The first volume of SFRS(I)s contains the equivalent of the consolidated text of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual reporting period beginning on 1 January 2018.

In this Interpretation, paragraphs with a prefix 'IFRS' refer to effective date, transition provisions and/or other text that are extracted from IFRSs. An entity that is not a first-time adopter shall apply those requirements, if applicable¹. Paragraphs that are specific to SFRS(I)s are indicated with a prefix 'SG'.

Notwithstanding the effective date and transition provisions in this Interpretation, an entity that is a first-time adopter of SFRS(I)s² shall:

- (A) Initially apply this Interpretation in the first annual period in which it adopts SFRS(I)s; and
- (B) Apply SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* in its first SFRS(I) financial statements. The entity shall also apply SFRS(I) 1 in each interim financial report that it presents in accordance with SFRS(I) 1-34 *Interim Financial Reporting* for any part of the period covered by its first SFRS(I) financial statements.

SFRS(I) INT 10 *Interim Financial Reporting and Impairment* is equivalent to IFRIC 10 *Interim Financial Reporting and Impairment*. An entity that complies with SFRS(I) INT 10 can simultaneously comply with IFRIC 10.

1 For example, SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* specifies that the transitional provisions in SFRS(I)s apply to a transitioning entity's transition to SFRS(I)s. SFRS(I) 1 defines a 'transitioning entity' as an entity that presents its first SFRS(I) financial statements, and that presented its annual financial statements in the most recent previous year that contained an explicit and unreserved statement of compliance with IFRSs.

2 SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* defines a 'first-time adopter' as an entity that presents its first SFRS(I) financial statements. A first-time adopter excludes a transitioning entity.

SFRS(I) Interpretation 10

Interim Financial Reporting and Impairment

References

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 1-34 *Interim Financial Reporting*
- SFRS(I) 1-36 *Impairment of Assets*

Background

- 1 An entity is required to assess goodwill for impairment at the end of each reporting period, and, if required, to recognise an impairment loss at that date in accordance with SFRS(I) 1-36. However, at the end of a subsequent reporting period, conditions may have so changed that the impairment loss would have been reduced or avoided had the impairment assessment been made only at that date. This Interpretation provides guidance on whether such impairment losses should ever be reversed.
- 2 The Interpretation addresses the interaction between the requirements of SFRS(I) 1-34 and the recognition of impairment losses on goodwill in SFRS(I) 1-36, and the effect of that interaction on subsequent interim and annual financial statements.

Issue

- 3 SFRS(I) 1-34 paragraph 28 requires an entity to apply the same accounting policies in its interim financial statements as are applied in its annual financial statements. It also states that 'the frequency of an entity's reporting (annual, half-yearly, or quarterly) shall not affect the measurement of its annual results. To achieve that objective, measurements for interim reporting purposes shall be made on a year-to-date basis.'
- 4 SFRS(I) 1-36 paragraph 124 states that 'An impairment loss recognised for goodwill shall not be reversed in a subsequent period.'
- 5–6 [Deleted]
- 7 The Interpretation addresses the following issue:

Should an entity reverse impairment losses recognised in an interim period on goodwill if a loss would not have been recognised, or a smaller loss would have been recognised, had an impairment assessment been made only at the end of a subsequent reporting period?

Consensus

- 8 An entity shall not reverse an impairment loss recognised in a previous interim period in respect of goodwill.
- 9 An entity shall not extend this consensus by analogy to other areas of potential conflict between SFRS(I) 1-34 and other standards.

Effective date and transition

IFRS. 10 An entity shall apply [IFRIC 10 *Interim Financial Reporting and Impairment* (issued by IASB in July 2006)] for annual periods beginning on or after 1 November 2006. Earlier application is encouraged. If an entity applies the Interpretation for a period beginning before 1 November 2006, it shall disclose that fact. An entity shall apply the Interpretation to goodwill prospectively from the date at which it first applied IAS 36; it shall apply the interpretation to investments in equity instruments or in financial assets carried at cost prospectively from the date at which it first applied the measurement criteria of IAS 39.

IFRS. [Deleted]
11–13

IFRS. 14 IFRS 9, as issued in July 2014, amended paragraphs 1, 2, 7 and 8 and deleted paragraphs 5, 6, 11–13. An entity shall apply those amendments when it applies IFRS 9.