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ONESOURCE Statutory Reporting
Taiwan Content Update Document

This document provides confirmation to our stakeholders that Taiwan Corporate Template contains Illustrative Model Content with legislative coverage for (Annual) Year End Reporting.

Financial Period Type:	12-Months (Annual)
Target Industry Type:	Manufacturing, Services, Generic (excl. Financial Services)

What are the legislative changes for the upcoming December 2024 financial year? If they are any, please specify them with the accounting reference numbers (e.g. IFRS 16).

- Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by Financial Supervisory Commission ("FSC").

  - Effective Date issued by IASB *(1 January 2024)*
    1. Classification of Liabilities as Current or Non-current – Amendments to IAS 1
    2. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
    3. Non-current Liabilities with Covenants – Amendments to IAS 1
    4. Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

  - Effective Date issued by IASB *(1 January 2025)*
    1. Lack of Exchangeability – Amendments to IAS 21

- Standards or interpretations issued, revised, or amended, by International Accounting Standards Board ("IASB") which are **not** endorsed by FSC.

  - Effective Date issued by IASB (*1 January 2027*)
    1. Presentation and Disclosure in Financial Statements – IFRS 18
    2. Subsidiaries without Public Accountability: Disclosures – IFRS 19

  - Effective Date issued by IASB *(To be determined by IASB)*
    1. IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

Note

1/ Classification of Liabilities as Current or Non-current – Amendments to IAS 1

- ➢ The amendments clarify the criteria for determining whether to classify a liability as current or non-current.
- ➢ The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.
- ➢ The amendments clarify the situations that are considered settlement of a liability.
- ➢ These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.
- ➢ Effective for annual periods beginning on or after 1 January 2024.
- ➢ Early adoption is permitted.

2/ Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

- ➢ The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.
- ➢ The amendments do not change the accounting for leases unrelated to sale and leaseback transactions.
- ➢ Effective for annual periods beginning on or after 1 January 2024.
- ➢ Early adoption is permitted.

3/ Non-current Liabilities with Covenants – Amendments to IAS 1

- The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.
- Effective for annual periods beginning on or after 1 January 2024.
- Early adoption is permitted.

4/ Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

- The amendments introduce additional information of supplier finance arrangements and add disclosure requirements for such arrangements.
- Effective for annual periods beginning on or after 1 January 2024.
- Early adoption is permitted.

5/ Lack of Exchangeability – Amendments to IAS 21

- The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- Effective for annual periods beginning on or after 1 January 2025.
- Early adoption is permitted.

6/ Presentation and Disclosure in Financial Statements – IFRS 18

- The main changes in the new standard are as below:

  (1) Improved comparability in the statement of profit or loss (income statement)
  IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities' performance and make it easier to compare entities.

  (2) Enhanced transparency of management-defined performance measures
  IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

  (3) Useful grouping of information in the financial statements
  IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

- IFRS 18 replaces IAS 1 Presentation of Financial Statements.
- Effective for annual reporting periods beginning on or after 1 January 2027.
- Early adoption is permitted.

7/ Subsidiaries without Public Accountability: Disclosures – IFRS 19

- This standard permits subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements.
- IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

- Effective for annual reporting periods beginning on or after 1 January 2027.
- Early adoption is permitted.

8/ IFRS 10"Consolidated Financial Statements" and IAS 28"Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

- The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

- IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

Is early adoption available for these accounting standards?

Early adoption is permitted.

These amendments updates are to be included and disclosed in the financial statements for the fiscal year ended 31 December 2024 when /until the company prepare their own financial statements in or after January 2025.

The above legislative update is valid for the second half year from 1 July 2024 to 31 December 2024. Any newly legislative update will be further discussed and covered in the next content update document.

What are the changes to optional content?

Please specify details in this field.