

IFRS 12

Disclosure of interests in other entities

1. Objective

The objective of this Standard is to specify the information that an entity must provide to enable users of its financial statements to evaluate:

- the nature of its interests held in other companies and the risks associated with them;
- the effects of these investments on the entity's financial situation, financial performance and cash flows.

2. Scope

IFRS 12 must be applied by any entity holding **investments** in:

- subsidiaries;
- joint arrangements (either joint operations or joint ventures);
- associates;
- unconsolidated structured entities.

However, this Standard does not apply to the following:

- post-employment benefit plans or other long-term employee benefit plans (IAS 19);
- an entity's separate financial statements to which IAS 27 applies unless it has investments in unconsolidated structured entities and prepares separate financial statements as its only financial statements;
- an investment held by an investor entity where the investor participates in a joint arrangement without having joint control, unless the investor has significant interest or the investment is in a structured entity. A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements;
- in an investment in another entity that is accounted for in accordance with IFRS 9;

- interest in a subsidiary, a joint venture or an associate classified in accordance with IFRS 5.

3. Disclosure

In applying this Standard, the entity must disclose **information on significant judgments and assumptions** (as well as changes to these) made in determining the nature of the investment in another entity (control or significant influence) and the type of joint arrangement. Special mention must also be made of assumptions to determine that there is an investment entity in the group.

3.1 Participations dans des filiales

For subsidiaries, the following information must also be provided:

- the composition of the group;
- the interest that non-controlling interests have in the activities and cash flows of the group;
- the nature and extent of significant restrictions that limit the entity's ability to access or use assets or to settle liabilities of the group;
- the nature of and changes in the risks associated with its investments in consolidated structured entities;
- the consequences of changes in its ownership interest in a subsidiary that do not result in a loss of control;
- the consequences of losing control of a subsidiary during the reporting period;
- the date of the end of the reporting period of an entity's financial statements when this is different from the date of the end of the reporting period for the consolidated financial statements, and the justification of the reasons for using a different date or period.

3.2 Interests in joint arrangements and associates

The following must be disclosed:

- the nature, extent and financial effects of its investments in joint arrangements and associates (including the nature and effects of its contractual relationship with the other investors with joint control of, or significant influence over, joint arrangements and associates);
- the nature of, and changes in, the risks associated with its investments in joint arrangements and associates.

3.3 Investments held in unconsolidated structured entities

Users of financial statements must be able to:

- understand the nature and extent of investments held in unconsolidated structured entities;
- evaluate the nature of, and changes in, the risks associated with these equity investments in unconsolidated structured entities.