

# Group Cash-settled Share-based Payment Transactions (Amendments to IFRS 2)

## Reason for the amendments

The amendments respond to requests the IASB received to clarify how an individual subsidiary in a group should account for some share-based payment arrangements in its own financial statements. In these arrangements, the subsidiary receives goods or services from employees or suppliers but its parent or another entity in the group must pay those suppliers. Constituents also asked the IASB to develop less rules-based guidance for group and treasury share-based payment transactions.

## Effect of the amendments

### The amendments

Clarify the scope of IFRS 2. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.

Clarify the interaction of IFRS 2 and other standards. The Board clarified that in IFRS 2 a 'group' has the same meaning as in IAS 27 Consolidated and Separate Financial Statements, that is, it includes only a parent and its subsidiaries.

Clarify the accounting for some group and treasury share-based payment transactions. An entity must measure the goods or services it received as either an equity-settled or a cash-settled share-based payment transaction assessed from its own perspective, which may not always be the same as the amount recognized by the consolidated group.

The amendments also incorporate guidance previously included in IFRIC 8 Scope of IFRS 2 and IFRIC 11 IFRS 2-Group and Treasury Share Transactions. As a result, the IASB has withdrawn IFRIC 8 and IFRIC 11

**Source:** IASB

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