

Ihre Ansprechpartner

Sehr geehrte Damen und Herren,

für Rückfragen zu der beigefügten Publikation „In brief“ zur Thematik „Hyper-inflationary economies at 31 December 2015“ stehen Ihnen folgende Ansprechpartner gerne zur Verfügung:



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In brief

A look at current financial reporting issues

Hyper-inflationary economies at 31 December 2015

December 2015

Issue

Paragraph 4 of IAS 29 requires that the standard is applied from the beginning of the period in which the existence of hyper inflation is identified. The implications of that guidance and countries that are hyper-inflationary at 31 December 2015 are explained below.

Impact

Entities that report in the currency of one of the countries listed below should apply IAS 29 in 2015.

- Sudan
- Syrian Arab Republic
- Venezuela

The following economies ceased to be hyper-inflationary during 2015:

- Belarus
- Iran

The following economies were not hyper-inflationary in 2015, but should be kept under review in 2016:

- Malawi
- Ukraine

Insight

Hyper-inflationary economies

Sudan

Sudan became a hyper-inflationary economy in 2013. Annual inflation rates decreased from about 45% in 2012 to about 42%, 26% and 12% in 2013, 2014 and 2015 respectively but there are still signs of price and exchange rate pressure. The three-year cumulative inflation rate through 2015 exceeds 100%.

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Syrian Arab Republic

Syria's difficulties continue. Both the European Union and the United Nations have imposed trade sanctions. Information on the current inflation rate in Syria is difficult to obtain, but the information available suggests that Syria remains hyper-inflationary in 2015.

Venezuela

Venezuela became a hyper-inflationary economy in 2009. Official data has not been published since the end of 2014, but the inflation rate remains high and the three-year cumulative inflation rate through 2015 exceeds 100%. Venezuela remains a hyper-inflationary economy in 2015

Entities should estimate the changes in the general price index to apply IAS 29 in the absence of official data. Estimates should reflect external data to the extent that such data is available. Management should consider the need for sensitivity disclosures to explain the impact of its estimates.

Economies that ceased to be hyper-inflationary during 2015

Belarus

Belarus became a hyper-inflationary economy for years ended 31 December 2011. Annual inflation decreased from about 110% in 2011 to about 16%, 16% and 22% in 2013, 2014 and 2015 respectively. Three year cumulative inflation for 2015 is now expected to be below 100%. Entities that report in the currency of Belarus are not required to apply IAS 29 for the year ended 31 December 2015.

Iran

Inflation has decreased from 41% in 2012 to 20%, 16% and 14% in 2013, 2014 and 2015 respectively. Three year cumulative inflation for 2015 is below 100%. Entities that report in the currency of Iran are not required to apply IAS 29 for year ended 31 December 2015 unless there is a significant change in the inflation rate at the end of the year.

An entity should cease applying IAS 29 at the end of the reporting period that is immediately prior to the period in which hyper-inflation ceases. The amounts in the financial statements (including interim periods) as at that date are treated as the carrying amounts for the subsequent financial statements.

Economies to be kept under review

Malawi

IMF data shows that three year cumulative inflation is high but below 100% at 31 December 2015, but is expected to decline. Entities in Malawi should monitor inflation during 2016.

Ukraine

IMF data shows that three year cumulative inflation for 2015 and could exceed 100% as of 31 December 2016. Entities in Ukraine should monitor inflation during 2016.

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