IFRS 4 - Insurance Contracts

Insurance contracts are agreements in which an insurer agrees to pay a specified amount of money or provide selected services in the event of certain defined circumstances, such as death, injury, or property damage. IFRS 4 is the International Financial Reporting Standards (IFRS) standard guides accounting for insurance contracts.

IFRS 4 requires entities to recognize insurance contracts' assets, liabilities, and equity in their financial statements. The support and disadvantages associated with insurance contracts are recognized at their present values and determined using various methods, including discounted cash flows and option pricing models.

IFRS 4 also requires entities to disclose information about the insurance contracts in the financial statements, including the nature of the agreements, the present values of the assets and liabilities, and any changes in the current values over time. This information provides transparency and comparability for investors and other stakeholders.

The accounting for insurance contracts can be complex. However, the guidance provided by IFRS 4 helps to ensure that these contracts are accounted for consistently and transparently. This promotes comparability of financial statements across different countries, industries, and entities, which benefits investors and other stakeholders.

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations

IFRS 5 is the International Financial Reporting Standards (IFRS) standard that guides accounting for non-current assets held for sale and discontinued operations. Non-current assets held for sale are assets that an entity has decided to sell and are actively being marketed for sale. Discontinued operations are components of an entity that have been disposed of or are held for sale and represent a separate central line of business or geographical area of operations.