



IAS 37 - Provision, Contingent Liabilities and Contingent Assets

Provision (Definition)

A liability of uncertain timing or amount.

Recognition

1. **Present obligation** (legal or constructive) as a result of past event
2. **Probable** (>50) than an outflow of economic benefits
3. **Reliable estimate** can be made

Measurement

- Realistic estimate
- Prudent estimate