

IFRS Accounting Standards Quarterly Navigator

Your Financial Reporting Roadmap

Quarter 1 2025



Introduction

IFRS Quarterly Navigator is your quarterly update on issues relating to International Financial Reporting Standards (IFRS) Accounting Standards. We'll bring you up to speed on topical issues and all recent developments, provide comments and give our perspective on relevant topics.

We are pleased to welcome you to this IFRS-related news edition by Grant Thornton Greece, your quarterly update on issues related to International Financial Reporting Standards (IFRS) Accounting Standards.

The main objective of this edition is to keep you informed about the recent news and advancements in the field of IFRS Accounting Standards.

Our aim is to provide you with relevant support, useful information, and an understanding of the potential impact these developments may have on your business, by bringing to you the most relevant and up-to-date information and keeping you at the forefront of the ever-evolving world of financial reporting.

From significant standard updates and IASB proposed amendments to thought-provoking articles, our team of experts has crafted this edition to address your informational needs.

This edition includes:

- **Latest IFRS updates**
 - IFRS for SMEs - IASB issues a major update in a third edition of this Accounting Standard
- **Grant Thornton International's Thought Leadership**
 - Recognising and measuring goodwill or gain from a bargain purchase (Insights into IFRS 3)
 - Accounting after the acquisition date (Insights into IFRS 3)
 - Navigating the changes to IFRS 2025 Edition



We also invite you to actively engage with us by sharing your thoughts, questions, or suggestions. Your input is invaluable in shaping the content of future editions.

We hope that you find our IFRS Quarterly Navigator edition enlightening and a valuable resource for your professional journey, and should you wish to discuss any of the topics covered, please feel free to contact us.

Contents

01	Latest IFRS updates	4
	IFRS for SMEs - IASB issues a major update in a third edition of this Accounting Standard	5
02	IASB proposed amendments	8
03	Grant Thornton International Ltd's Thought Leadership	9
	Insights into IFRS 3 – Two (2) new articles released	10
	Navigating the changes to IFRS 2025 Edition	11

01 Latest IFRS updates

This section presents IASB new amendments which have been published in the period from January 2025 until March 2025.

Latest IFRS updates



IFRS for SMEs - IASB issues a major update in a third edition of this Accounting Standard

Executive summary

The International Accounting Standards Board (IASB) has recently released the third edition of its IFRS for SMEs Accounting Standard (IFRS for SMEs or the Standard). This edition represents a major update to the Standard and follows a comprehensive review conducted by the IASB over the past few years. The updates to the Standard cover all sections of the current IFRS for SMEs. Some of the most significant updates are on the topics of revenue recognition, fair value measurement and business combinations.

Background

IFRS for SMEs is designed for small and medium sized entities (SMEs) without public accountability that are still required to prepare general purpose financial statements. Entities with public accountability are defined in the Standard as entities who have debt or equity instruments traded in a public market, or entities which hold assets in a fiduciary capacity for a broad group of outsiders (eg banks, insurance companies, securities brokers etc.). The Standard is explicitly not available to entities with public accountability, and if such an entity does apply the Standard, it cannot describe its financial statements as conforming to the IFRS for SMEs Accounting Standard, even if this is allowed by legislation in their local jurisdiction.

The key changes in the new Standard

The changes to the Standard cover a broad range of topics, and for the full list you can refer to the IFRS Foundation's press release and the published Standard ([IFRS - IASB issues a major update to the IFRS for SMEs Accounting Standard](#)). Here we have summarised some of the key changes which may have the most significant impact.

Revenue recognition

Section 23 'Revenue from Contracts with Customers' has been revised to align with the requirements of IFRS 15 'Revenue from Contracts with Customers'. This is a significant change from previous practice and will require the application of the five-step model (set out in IFRS 15 'Revenue from Contracts with Customers') to identify revenue contracts, identify performance obligations or promises, determine the transaction price, allocate this price to each promise, and finally recognise revenue as promises are fulfilled.

These new requirements may require more work and new processes to be put in place by the reporting entity. As we saw with the adoption of this model in the full version of IFRS 15, this can be very challenging, so we would encourage preparers to start planning for this transition sooner rather than later.

Latest IFRS updates



IFRS for SMEs - IASB issues a major update in a third edition of this Accounting Standard

Fair value measurement

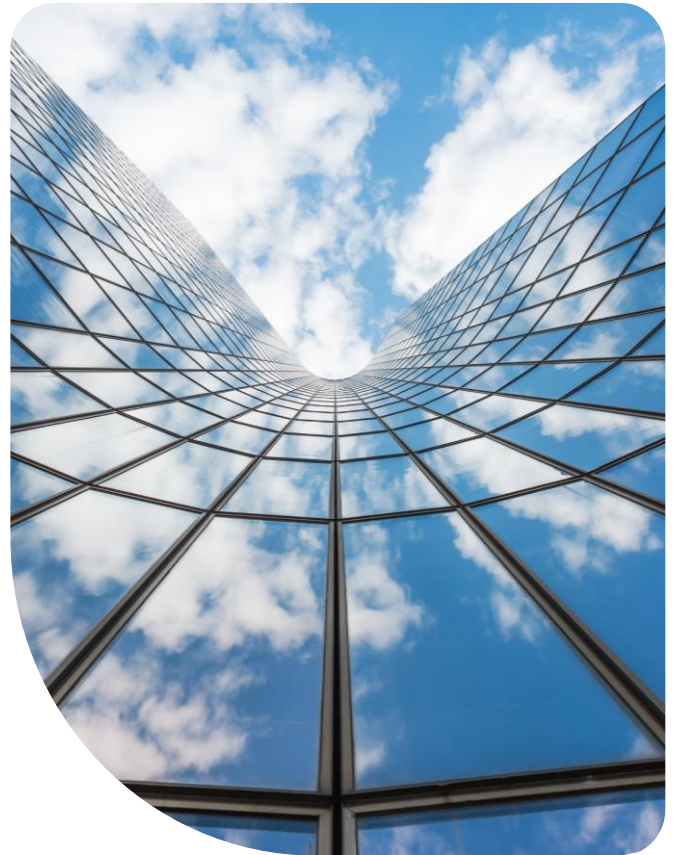
Section 12 'Fair Value measurement' has been added to IFRS for SMEs for the first time in this edition. Previously, information about fair value measurement and disclosure was spread throughout the other sections where it was relevant, but in the third edition this is now grouped into a new separate section.

The reformatting that has taken place should make finding and referring to the guidance much easier, and will also ensure consistent application of fair value principles throughout the financial statements.

Business combinations

Section 19 'Business Combinations and Goodwill' has been updated in the third edition to align it more closely with the detailed requirements set out in IFRS 3 'Business Combinations'. This edition now replaces the purchase method of accounting, as it was referred to in the previous edition of IFRS for SMEs, with the acquisition method of accounting. Although the methods are similar in many respects, there are more areas of complexity that need to be addressed in the acquisition method.

Although IFRS 3 has been in effect for some time, it is often not properly understood, and as a result is not appropriately applied. For SMEs that regularly engage in business combinations or acquisitions this may cause significant difficulty when applying the updated Standard. We would recommend that preparers engage with this early. Although it applies to full IFRS requirements, our series '[Insights into IFRS 3](#)' may help to provide more information and supporting material on the requirements and application of the acquisition method.



Latest IFRS updates



IFRS for SMEs - IASB issues a major update in a third edition of this Accounting Standard

Effective date

The third edition of IFRS for SMEs is effective for reporting periods beginning on or after 1 January 2027. Early application is permitted, however this may be dependent on jurisdictional approvals.

The changes introduced in the third edition must be applied retrospectively as set out in Section 10 of the Standard.

Grant Thornton International Ltd's thoughts

We support the release of this new edition of the Standard, which should improve the quality of financial information being reported by SMEs.

While the effective date is still some time away, we encourage entities that currently apply IFRS for SMEs to start considering the impact of the changes sooner rather than later. In particular, the changes to the revenue recognition model may be challenging to apply, as we saw with the adoption of IFRS 15. If you will be impacted by these amendments, or would like to discuss them further, please reach out to the IFRS contact at your local Grant Thornton firm.

02 IASB proposed amendments

No Exposure Drafts for IASB proposed amendments have been published in the period from January until March 2025.

03 Grant Thornton International Ltd's Thought Leadership

Grant Thornton International Ltd has released a series of publications providing insights on applying IFRS in challenging situations. Each edition focuses on an area where the Standards have proved difficult to apply or lack guidance.

03 Grant Thornton International Ltd's Thought Leadership

Insights into IFRS 3 – Two (2) new articles released

Grant Thornton International Ltd has released two (2) new articles in series on Insights into IFRS 3 “Business Combinations”.

Grant Thornton International's ‘Insights into IFRS 3’ series summarises the key areas of the Standard, highlighting aspects that are more difficult to interpret and revisiting the most relevant features that could impact your business.

The new articles are as follows:

- Recognising and measuring goodwill or gain from a bargain purchase
- Accounting after the acquisition date


Recognising and measuring goodwill or gain from a bargain purchase

This article discusses how goodwill, or a gain from a bargain purchase is initially recognised and measured under IFRS 3, which represents the final step of applying the acquisition method.

Accounting after the acquisition date

This article discusses accounting after the acquisition date. We have split our analysis into two sections as follows:

- Practical implications for post-combination reporting
- Accounting for subsequent changes in ownership interest in a subsidiary



Insights into IFRS 3

Recognising and measuring goodwill or gain from a bargain purchase

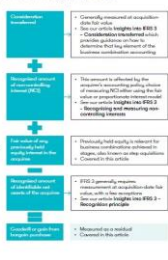
Mergers and acquisitions (business combinations) can have a fundamental impact on the acquirer's operations, resources and strategies. For most entities such transactions are infrequent, and each is unique. IFRS 3 'Business Combinations' contains the requirements for these transactions, which can be challenging in practice.

Our 'Insights into IFRS 3' series summarises the key areas of the Standard, highlighting aspects that are more difficult to interpret and revisiting the most relevant features that could impact your business.

This article discusses how goodwill, or a gain from a bargain purchase, is initially recognised and measured under IFRS 3, which represents the final step of applying the acquisition method.

Goodwill is defined in Appendix A to IFRS 3 as an asset representing the future economic benefits arising from other intangible assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is the residual amount of the acquisition cost over the fair value of the identifiable intangible assets acquired. It can only be recognised when a business combination is achieved in exchange for a business combination and is measured as a residual and is not measured on the basis of one amount over another.

A bargain purchase is where a business is acquired for less than its fair market value, resulting in a gain for the acquirer. The following diagram shows the steps to determine the amount of goodwill or gain from a bargain purchase to recognise.



1. Calculate the acquisition cost (including any non-controlling interest and any consideration transferred by the acquirer).

2. Calculate the fair value of the identifiable intangible assets acquired.

3. Calculate the fair value of the net assets acquired (including the identifiable intangible assets).


4. Determine the amount of goodwill or gain from a bargain purchase (the difference between the acquisition cost and the fair value of the net assets acquired).

5. Recognise the goodwill or gain from a bargain purchase.

6. Measure the goodwill or gain from a bargain purchase.

7. Disclose the goodwill or gain from a bargain purchase.

You can access the publication at [Recognising and measuring goodwill or gain from a bargain purchase | Grant Thornton insights](#)




Insights into IFRS 3

Accounting after the acquisition date

Mergers and acquisitions are becoming more and more common as entities aim to achieve their growth objectives. IFRS 3 'Business Combinations' contains the requirements for these transactions, which are challenging in practice. While not a new Standard, it is still highly referred to in practice.

Our 'Insights into IFRS 3' series summarises the key areas of the Standard, highlighting aspects that are more difficult to interpret and revisiting the most relevant features that could impact your business.

This article discusses accounting after the acquisition date. We have split our analysis into two sections as follows:



1. Practical implications for post-combination reporting

2. Accounting for subsequent changes in ownership interest in a subsidiary

3. Changes in ownership interest resulting in loss of control of a subsidiary

4. Loss of control of a subsidiary

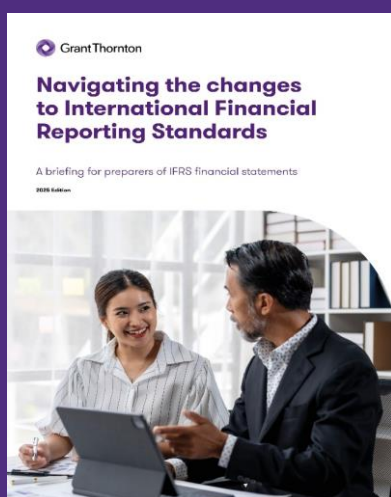
"Our 'Insights into IFRS 3' series summarises the key areas of the Standard, highlighting aspects that are more difficult to interpret and revisiting the most relevant features that could impact your business."

You can access the publication at [Accounting after the acquisition date | Grant Thornton insights](#)

03 Grant Thornton International Ltd's Thought Leadership

Navigating the changes to IFRS 2025 edition

This publication is designed to give preparers of IFRS financial statements a high-level awareness of recent changes to International Financial Reporting Standards. It covers both new Standards and Interpretations that have been issued and amendments made to existing ones. The 2025 edition of the publication has been updated for changes to International Financial Reporting Standards (IFRS) that were published between 1 January 2024 and 31 December 2024. The publication now covers 31 March 2024, 30 June 2024, 30 September 2024, 31 December 2024 and 31 March 2025 financial year ends.



You can access the publication at [Navigating the changes to International Financial Reporting Standards - 2025 Edition](#)

What defines our unparalleled edge

Grant Thornton works to support dynamic organizations to address financial reporting issues in today's complex world.

In making these changes, one thing does not change. Financial reporting is a regulated activity and compliance with the requirements is a must. Getting it right requires professional expertise, care and attention to detail, proper planning and project management and fit-for-purpose systems and controls.

We can help you get up to date with current trends in financial reporting by providing:

- thought leadership insights
- examples of best practice disclosures
- support you through the enhancing of your annual reports

Whatever stage you are at in making improvements to the content and presentation of your annual reports, our specialists offer pragmatic solutions, whilst still complying with IFRS Standards.

The Standards are detailed and technical. To the untrained eye, they can appear hard to navigate.



But at Grant Thornton, we have people who are well versed in their intricacies and can translate them into language that you can understand and apply to your financial statements.

A dedicated team of experts

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