IFRS TECHNICAL SESSION

IAS 12: Income Taxes

Current & Deferred Tax Demystified



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For finance professionals, CMAs and accountants in Bangladesh

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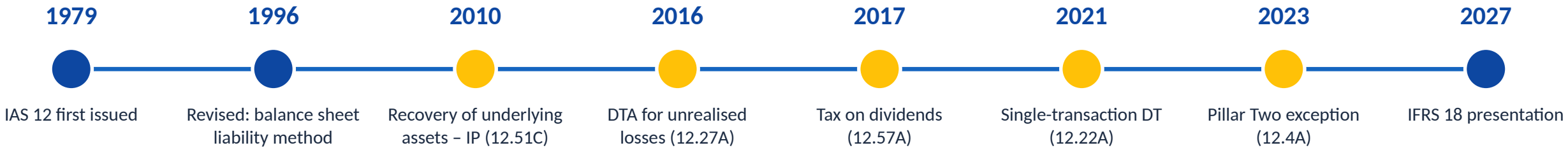
Why tax accounting matters – and how IAS 12 evolved

Why it matters

- Often the largest expense after cost of sales
- Drives cash flow, dividends and covenants
- Effective tax rate (ETR) is a key analyst metric
- Frequent source of audit adjustments

Balance sheet liability method

- Compare carrying amount with tax base for every asset and liability
- Difference × expected rate = deferred tax
- Replaced the income-statement 'timing difference' approach (1996)



Gold nodes = amendments named in this session. IFRS 18 replaces IAS 1 for periods beginning on or after 1 January 2027.

Objective and scope

OBJECTIVE
Account for the current and future tax consequences of (a) future recovery/settlement of carrying amounts and (b) transactions recognised in the period

In scope (IAS 12.1–2)

- Domestic and foreign taxes based on taxable profits
- Withholding taxes payable by a subsidiary, associate or joint arrangement on distributions to the reporting entity
- Current tax and deferred tax

Outside IAS 12 (IAS 12.4)

- Government grants – IAS 20
- Investment tax credits – no specific guidance
- But temporary differences arising from grants/credits are covered
- Taxes on gross amounts are generally levies – IAS 37 / IFRIC 21

LINK: Uncertain tax treatments (disputes, aggressive positions) sit in IFRIC 23, which applies IAS 12 recognition and measurement when it is unclear whether the tax authority will accept a treatment.

Current tax – definition and recognition

DEFINITION · IAS 12.5
Current tax = income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period

Unpaid → liability

Current tax for current and prior periods, to the extent unpaid, is recognised as a liability (IAS 12.12).

Overpaid → asset

If amounts already paid (AIT, TDS) exceed the amount due, the excess is recognised as an asset (IAS 12.12).

Loss carried back

The benefit of a tax loss that can be carried back to recover prior-period current tax is an asset (IAS 12.13–14).

BANGLADESH: Bangladesh law does not allow loss carry-back. Losses are carried forward, so their benefit is a deferred tax asset, subject to the recognition tests on slide 15.

Measurement of current tax

Taxable profit
Accounting profit ± tax adjustments

× Enacted rate
Enacted / substantively enacted at period end (12.46)

– AIT & TDS
Tax already paid or deducted at source

= Payable / (receivable)
Liability or asset (12.12)

Enacted or substantively enacted (12.46, 12.48): the remaining steps cannot change the outcome

Amount expected to be paid/recovered: reflect uncertain positions using IFRIC 23

Interest and penalties: accounting policy – IAS 12 if they are in substance income tax, otherwise IAS 37

BANGLADESH: June year-ends: the Finance Bill is usually passed in the last days of June. Document the date the Act was passed (or the Ordinance promulgated) relative to 30 June; the budget speech alone is not substantive enactment.

Accounting profit vs taxable profit

Permanent differences

Never reverse. Affect ETR but create no deferred tax. Example: non-deductible expenses, excess perquisites, exempt income.

Temporary differences

Reverse in future periods. Create deferred tax. Example: tax vs book depreciation, provisions deductible when paid, ECL allowance, leases.

Reconciliation (BDT '000)	Type	Amount
Profit before tax		180,000
Add: non-deductible expenses	Permanent	6,000
Less: tax depreciation in excess of book	Temporary	(12,400)
Add: lease – ROU dep. + interest – rent paid	Temporary	1,080
Add: gratuity charged less paid	Temporary	6,000
Add: ECL charge less write-offs	Temporary	6,000
Taxable profit		**186,680**
Current tax @ 27.5%		**51,337**

Same company as the worked example on slide 30. Rate assumes non-listed company not meeting the bank-transfer condition.

Why deferred tax arises: future tax consequences

PRINCIPLE · IAS 12.16
Recognising an asset implies its carrying amount will be recovered. If recovery creates taxable amounts greater than the remaining tax deductions, a deferred tax liability exists today

Carrying amount		Tax base		Temporary difference		DTL @ 27.5%
BDT 100	−	**BDT 60**	=	**BDT 40**	×	**BDT 11**
Machine in the books		Deductions still available		Future taxable amount		Recognised now

Asset view: recover more than you can deduct → pay more tax later → DTL

Liability view: settle a liability that will be deductible later → pay less tax later → DTA

Tax follows the item: deferred tax is recognised where the underlying item is recognised (12.57)

Tax base of assets and liabilities (IAS 12.7–10)

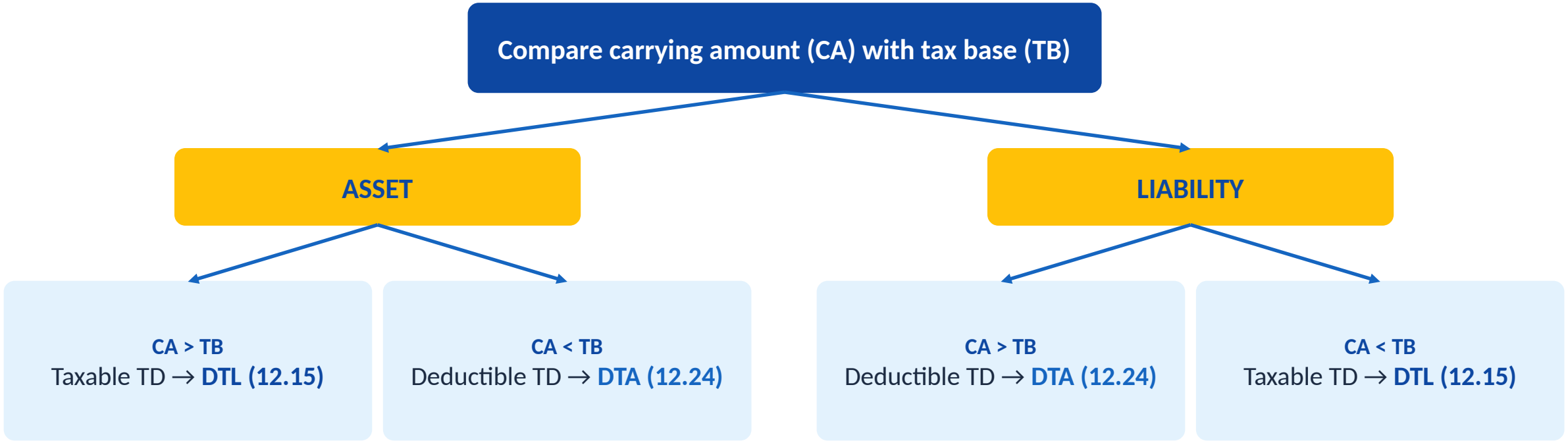
Asset: amount deductible against future taxable benefits on recovery (12.7) **Liability:** carrying amount – amount deductible in future (12.8)

Item (BDT)	Carrying amount	Tax base	Why	Result
PPE – cost 100; book dep. 30; tax dep. 50	70	50	Future deductions = tax WDV	TTD 20 → DTL
Trade receivables 100 less ECL 10	90	100	Bad debts deductible only on write-off	DTD 10 → DTA
Accrued expenses deductible on payment	(100)	0	Whole amount deductible later	DTD 100 → DTA
Gratuity / warranty provision	(100)	0	Deductible when paid	DTD 100 → DTA
Revenue received in advance, taxed on receipt	(100)	0	Not taxable again (12.8)	DTD 100 → DTA
Loan payable – repayment has no tax effect	(100)	(100)	Nothing deductible	No difference
Research cost expensed, deductible later (12.9)	0	100	Tax base without a carrying amount	DTD 100 → DTA



PRACTICE TIP: Build a tax-base register next to the fixed asset register and trial balance. Most DT errors start from a wrong tax base, not a wrong rate.

Temporary differences: the DTA / DTL decision tree



Then: apply exceptions (12.15(a)/(b), 12.24, 12.39, 12.44) → measure at expected rate (12.47) → test DTA recoverability (12.24, 12.56)

EXAM TIP: Memory aid – for assets, more book value than tax value means more tax later (DTL). Liabilities are the mirror image.

Examples of taxable temporary differences (→ DTL)

Accelerated tax depreciation

Tax WDV falls faster than book value. Example: CA 340 vs tax WDV 291.6 → TTD 48.4 (12.17(b))

Capitalised development costs

Capitalised under IAS 38 but deducted for tax when incurred → tax base nil (12.17(b))

Revaluations

Revalued PPE with no matching tax adjustment → TTD; deferred tax recognised in OCI (12.20, 12.61A)

Business combinations

Fair value uplifts on acquired assets while tax bases are unchanged → DTL, which increases goodwill (12.19)

ALSO: Other TTDs: interest or dividend receivable taxed on cash basis; prepaid expenses already deducted for tax; borrowing costs capitalised but deducted when paid.

Examples of deductible temporary differences (→ DTA)

Provisions

Warranty, restructuring, litigation – deductible only when paid → tax base nil

Employee benefits

Unfunded gratuity and leave encashment – deductible on payment or contribution to an approved fund

ECL allowance (IFRS 9)

Generally deductible only on actual write-off of bad debts → receivable's tax base = gross amount

Lease liabilities (IFRS 16)

Rentals deducted when paid → DTD on lease liability; TTD on ROU asset (12.22A)

VERIFY: Check the tax treatment of gratuity (approved vs unapproved fund), bad-debt write-offs and lease rentals/ROU depreciation against the current Act and NBR practice before finalising tax bases.

Deferred tax liabilities: the rule and its exceptions

KEY RULE • IAS 12.15
A deferred tax liability SHALL be recognised for ALL taxable temporary differences – there is no probability test

1. Goodwill

Initial recognition of goodwill (12.15(a)). A DTL on goodwill would increase goodwill itself – a circular result.

2. Initial recognition exception

Asset/liability in a non-business-combination transaction affecting neither accounting nor taxable profit, and not creating equal and offsetting TDs (12.15(b))

3. Investments

Subsidiaries, branches, associates, JAs – where the parent controls the timing of reversal and reversal is not probable in the foreseeable future (12.39)

EXAM TIP: Exceptions are narrow and closed. 'The difference will reverse slowly' or 'we never sell the land' is not an exception – measure using the manner of recovery instead (12.51).

Deferred tax assets: the probability test

KEY RULE • IAS 12.24
Recognise a DTA for deductible temporary differences ONLY to the extent it is PROBABLE that taxable profit will be available to use them

1

Reversing taxable TDs

Same authority, same taxable entity, right periods (12.28)

2

Future taxable profits

Excluding new deductible TDs; realistic forecasts (12.29(a))

3

Tax planning opportunities

Actions the entity would take to create taxable profit (12.29(b), 12.30)

Reassess every year

Reduce a recognised DTA no longer probable (12.56); recognise a previously unrecognised one when it becomes probable (12.37).

AMENDMENT: 2016 amendment (12.27A, 12.29): unrealised losses on fixed-rate debt instruments at fair value create deductible TDs even if the holder expects to hold to maturity.

Unused tax losses and unused tax credits

KEY RULE · IAS 12.34–35
Recognise a DTA for unused losses/credits to the extent future taxable profit is probable. With a history of recent losses, only to the extent of sufficient TTDs or CONVINCING other evidence

IAS 12.36 criteria

(a) Sufficient TTDs with the same authority/entity that will reverse before losses expire

(b) Probable taxable profits before the losses or credits expire

(c) Losses result from identifiable causes unlikely to recur

(d) Tax planning opportunities are available

Disclose the amount and the evidence supporting recognition (12.82)

Bangladesh overlay

- Business loss: carry forward 6 successive assessment years
- Unabsorbed depreciation: carried forward without limit
- No carry-back of losses
- Carry-forward denied where withholding-based minimum tax applies
- Schedule losses by year of expiry; apply 12.36 to each tranche

Initial recognition exception (IAS 12.15(b), 12.24)

All three conditions must be met:

- Not a business combination
- Affects neither accounting profit nor taxable profit at the time
- Does not give rise to equal taxable and deductible TDs (from 2023)

EXAM TIP: The exception never applies in a business combination; there, deferred tax adjusts goodwill instead.

Example

An asset costing BDT 1,000 is bought outside a business combination. Its cost is never tax-deductible and disposal is not taxable. TTD of 1,000 at day one → no DTL. Later depreciation of the unrecognised difference → still no DT (12.22(c)).

Goodwill

No DTL on initial recognition of goodwill (12.15(a)). A TTD that arises later on tax-deductible goodwill IS recognised (12.21B).

2021 amendment: deferred tax on a single transaction

IAS 12.15(b)(iii), 12.22A
The initial recognition exception does NOT apply to transactions that give rise to EQUAL AND OFFSETTING taxable and deductible temporary differences (e.g. leases, decommissioning obligations)

Lease commencement (BDT '000)	CA	Tax base	TD	DT @ 27.5%
Right-of-use asset	54,000	0	54,000 T	(14,850) DTL
Lease liability	(54,000)	0	54,000 D	14,850 DTA
Net on day one				**nil**

Gross DTA and DTL are recognised and disclosed by type (12.81(g)); they may be presented net if the offset conditions in 12.74 are met. DTA still subject to the 12.24 probability test.

Effective date & transition

- Annual periods from 1 January 2023
- Leases & decommissioning: from start of earliest comparative period
- Cumulative effect in opening retained earnings

PRACTICE TIP: Differences may become unequal later (e.g. different depreciation and interest patterns); track both sides separately.

Investments in subsidiaries, branches, associates and JAs

Investee	DTL on taxable TD (12.39)	DTA on deductible TD (12.44)
Subsidiary / branch	Not recognised if parent controls timing AND reversal not probable in foreseeable future	Only if reversal probable in foreseeable future AND taxable profit available
Associate	Usually recognised – investor generally cannot control dividends (12.42)	Same test as 12.44
Joint arrangement	Depends on whether the venturer can control distributions (12.43)	Same test as 12.44



Outside basis difference

Carrying amount of the investment in the group accounts (cost + share of retained profits ± FX) vs its tax base (usually cost).



VERIFY: Bangladeshi subsidiaries of MNCs: dividends to the foreign parent attract withholding tax. If profits will be repatriated, the parent's group accounts should carry a DTL for that tax. Confirm the current dividend WHT rate and any treaty relief.

Business combinations

Deferred tax at acquisition (12.19, 12.66)

- FV adjustments vs unchanged tax bases → TDs
- DT is part of identifiable net assets
- DT therefore increases (DTL) or reduces (DTA) goodwill

Example (BDT '000)	Amount
Fair value uplift on brand / PPE	10,000
DTL @ 27.5%	(2,750)
Net effect on identifiable net assets	7,250
Increase in goodwill vs no-DT answer	**2,750**

Acquirer's own DTA (12.67)

If the combination makes the acquirer's own pre-existing DTA recoverable, recognise the change in profit or loss – it is not part of the acquisition accounting.

Acquired DTA recognised later (12.68)

Within the measurement period, based on facts existing at acquisition date → reduce goodwill (excess to P&L). All other cases → profit or loss (or OCI/equity if 12.61A applies).

Revaluations and investment property: manner of recovery

IAS 12.51–51A
Measure deferred tax consistently with the manner in which the entity expects to recover or settle the carrying amount – use vs sale may attract different rates or bases

Revalued land (12.51B)

Non-depreciable revalued asset → deferred tax reflects recovery through sale. DT on revaluation surplus goes to OCI (12.61A).

Investment property (12.51C)

At fair value: REBUTTABLE presumption of recovery entirely through sale. Rebutted only if depreciable and the business model consumes substantially all benefits over time.

Land component (12.51C)

Presumption cannot be rebutted for freehold land. If the presumption is rebutted for buildings, disclose that fact.

VERIFY: Land/building transfers in Bangladesh attract tax collected at registration and capital-gains rules that differ from business-income rates. Confirm the current rate and whether it is final before measuring 'recovery through sale'.

Share-based payment (IAS 12.68A–68C)

Tax base: future deduction estimated using the share price at the reporting date (12.68B)

Deductible TD: tax base vs carrying amount (usually nil)

Cap: DT up to cumulative IFRS 2 expense × rate goes to P&L

Excess: recognised directly in equity (12.68C)

Example (BDT '000)	Amount
Cumulative IFRS 2 expense	1,000
Estimated future tax deduction	1,400
DTA @ 27.5% (1,400 × 27.5%)	**385**
→ Profit or loss (1,000 × 27.5%)	275
→ Equity (400 × 27.5%)	110

VERIFY: Confirm whether and when Bangladesh allows a deduction for employee share schemes (and for MNC group plans recharged to the local entity) before recognising any DTA.

Unrealised intra-group profits on consolidation

Parent (seller)
Cost 8,000 → sells for 10,000

Subsidiary (buyer)
Inventory still held; tax base 10,000

Consolidation
Eliminate 2,000; group CA = 8,000

Group view (BDT '000)	Buyer at 27.5%	Buyer at 25%
Carrying amount of inventory (group)	8,000	8,000
Tax base (buyer's cost)	10,000	10,000
Deductible temporary difference	2,000	2,000
DTA at BUYER's rate	**550**	**500**

Which rate?

IAS 12: the buyer's rate, because the buyer holds the asset and gets the deduction. US GAAP (ASC 740) differs – relevant for group reporting packs.

PRACTICE TIP: Cross-border sales within MNC groups also raise transfer pricing questions; uncertain TP positions fall under IFRIC 23.

Measurement of deferred tax

Expected rate (12.47)

Rate expected when the TD reverses, based on laws enacted or substantively enacted at the reporting date. Average rates if graduated (12.49).

No discounting (12.53)

Deferred tax assets and liabilities are not discounted, even when reversal is many years away.

Rate change (12.60)

Remeasure existing balances. Effect to P&L, except items previously recognised in OCI/equity, which follow those items (backward tracing).

Rate change illustration (BDT '000)	27.5%	25.0%
TTD on PPE	48,400	48,400
DTL	13,310	12,100
Credit to P&L on change		**1,210**

BANGLADESH: Bangladesh rates are fixed for AY 2026-27 to 2030-31, but the 2.5-point reduction depends on the bank-transfer condition each year. Choose the rate you expect when differences reverse, and disclose the judgement.

Where is tax recognised? P&L vs OCI vs equity

KEY RULE · IAS 12.57–58, 61A
Tax follows the underlying item: P&L by default; OCI or equity where the item itself was recognised there (including later remeasurements – 'backward tracing')

Underlying item	Where recognised	Where the tax goes	Ref.
Accelerated depreciation, provisions, ECL	Profit or loss	Profit or loss	12.58
Revaluation surplus on PPE (IAS 16)	OCI	OCI	12.61A–62
Actuarial gains/losses on gratuity (IAS 19)	OCI	OCI	12.62
FVOCI debt instrument gains/losses	OCI	OCI	12.62
Prior-period error / policy change (IAS 8)	Opening retained earnings	Equity	12.62A
Equity component of compound instrument	Equity	Equity	12.23, 12.62A
Excess share-based tax deduction	—	Equity	12.68C

Tax consequences of dividends (IAS 12.52A–52B, 57A, 65A)

Different rates (12.52A)

Where distributed and undistributed profits are taxed differently, measure current and deferred tax at the UNDISTRIBUTED rate.

Timing (12.52B)

Recognise the income tax consequences of dividends when the liability to pay the dividend is recognised.

Location (12.57A – 2017)

Recognise in P&L, OCI or equity according to where the past transactions that generated the distributable profits were recognised – usually P&L.

WHT on dividends paid (12.65A)

Tax withheld and paid on behalf of shareholders is charged to equity as part of the dividend – not tax expense.

VERIFY: Check current ITA 2023 provisions on tax on retained earnings/reserves and stock dividends for listed companies, and the WHT rate on dividends to resident and non-resident shareholders.

Uncertainty over income tax treatments – IFRIC 23

1 Unit of account

Separately or together – whichever better predicts resolution (para 6)

2 Assume examination

Full knowledge of all relevant information; ignore detection risk (para 8)

3 Probable acceptance?

Yes → follow the return. No → reflect uncertainty (paras 10–11)

4 Measure & reassess

Most likely amount or expected value; reassess on new facts (paras 11, 13)

Expected value example (BDT '000)	Additional tax	Probability	Weighted
Position fully accepted	0	50%	0
Partly disallowed	2,000	30%	600
Fully disallowed	5,000	20%	1,000
Expected value provision		**100%**	**1,600**

BANGLADESH: Typical BD uncertainties: s.55 disallowances, perquisite caps, TDS mismatches, transfer pricing, and appeals pending at Tribunal/High Court for years. Disclose judgements (IAS 1.122) and estimates (IAS 1.125).

International tax reform – Pillar Two (May 2023 amendment)

MANDATORY EXCEPTION · IAS 12.4A

Do not recognise, and do not disclose information about, deferred tax assets and liabilities related to Pillar Two income taxes. Exception is temporary; no end date set

Required disclosures (12.88A–88D)

- Statement that the exception was applied
- Current tax expense related to Pillar Two, separately
- Before rules are effective: known or reasonably estimable exposure

Who is in scope?

- MNE groups with revenue ≥ EUR 750m in 2 of the 4 preceding years
- 15% minimum ETR, tested jurisdiction by jurisdiction
- IIR / UTPR / QDMTT collection mechanisms

Relevance to Bangladesh subsidiaries

Group parent's IIR may tax low-taxed BD profits (tax holidays, reduced export/green-factory rates). BD has not enacted a QDMTT as far as we know – verify. Local entity must supply GloBE data (deferred tax, covered taxes) for the group's computations and safe harbours.

Presentation: offsetting and classification

Offset current tax (12.71)

- Legally enforceable right to set off, AND
- Intention to settle net or realise and settle simultaneously

Offset deferred tax (12.74)

- Legally enforceable right to set off current tax, AND
- Same tax authority and same taxable entity – or different entities intending net settlement

Classification

Deferred tax is never classified as current (IAS 1.56).

Face of P&L

Tax expense related to profit or loss from ordinary activities on the face of P&L (12.77, IAS 1.82(d)).

IFRS 18 (2027)

Income tax expense presented in a separate 'income taxes' category after profit before tax.

Disclosure requirements (IAS 12.79–88D)

Components of tax expense (12.79–80)

- Current tax and prior-period adjustments
- Deferred tax on origination/reversal of TDs
- Effect of rate changes or new taxes
- Benefit from previously unrecognised losses/TDs
- Write-downs (and reversals) of DTA

Other key disclosures (12.81–82)

- (a)/(ab) tax recognised in equity and in OCI
- (c) tax rate reconciliation – numerical and/or rate-based
- (e) unrecognised DTAs, with expiry dates
- (f) aggregate TTDs on investments (12.39)
- (g) DTA/DTL and P&L effect by type of TD

IAS 12.82
Disclose the DTA amount and the supporting evidence where utilisation depends on future profits beyond reversing TTDs, OR the entity has suffered a loss in the current or preceding period

Also: explanation of changes in the applicable rate (12.81(d)); dividend tax consequences (12.81(i), 82A); Pillar Two disclosures (12.88A–88D).

Worked example: Padma Manufacturing PLC (BDT '000)

Non-listed, 27.5%, FY ended 30 June 2026. Facts: machinery cost 400,000 (1 Jul 2023), book life 20 yrs SL; tax 10% WDV (Third Schedule). Gratuity: P&L 14,000, OCI loss 4,000, paid 8,000. ECL: charge 9,000, write-offs 3,000. Lease from 1 Jul 2024: 54,000 at 10%, rent 12,600 p.a., 6 yrs. AIT/TDS paid 42,000. Turnover tax at 1% (24,000) is below regular tax.

30 June 2026	CA	Tax base	TD	DTA/(DTL)
Machinery (PPE)	340,000	291,600	48,400 T	(13,310)
Right-of-use asset	36,000	0	36,000 T	(9,900)
Lease liability	(38,880)	0	38,880 D	10,692
Gratuity provision	(60,000)	0	60,000 D	16,500
ECL allowance	(26,000)	0	26,000 D	7,150
Net DTA @ 27.5%				**11,132**

Movement in net DTA	BDT '000
Opening 1 Jul 2025	9,845
Credit to P&L	187
Credit to OCI (4,000 × 27.5%)	1,100
Closing 30 Jun 2026	**11,132**

Opening: TTD 81,000 (PPE 36,000 + ROU 45,000); DTD 116,800 (lease 46,800 + gratuity 50,000 + ECL 20,000).

Journal entries	Dr	Cr
Current tax expense (P&L)	51,337	
Provision for income tax		51,337
Provision for income tax	42,000	
AIT / TDS receivable		42,000
Deferred tax asset (net)	1,287	
Deferred tax income (P&L)		187
OCI – DT on remeasurement		1,100

Tax rate reconciliation	BDT '000	Rate
PBT 180,000 × 27.5%	49,500	27.50%
Non-deductible expenses (6,000)	1,650	0.92%
Tax expense (51,337 – 187)	**51,150**	**28.42%**

Current tax payable after AIT/TDS: 51,337 – 42,000 = 9,337. Net DTA presented as non-current (same authority, same entity – 12.74).

Income Tax Act 2023 interaction with IAS 12

Corporate tax – AY 2026-27 to 2030-31	Rate	If all txns via bank
Non-listed company	27.5%	25.0%
Listed – ≥10% shares via IPO/DL	22.5%	20.0%
Listed – <10% shares via IPO/DL	25.0%	22.5%
Listed bank / insurance / FI	37.5%	—
Non-listed bank / insurance / FI	40.0%	—
Tobacco manufacturer; mobile operator	45.0%	—

Is minimum tax 'income tax' for IAS 12?

- Practice: whole liability shown as current tax
- Stricter view: excess over profit-based tax = levy (IAS 37/IFRIC 21)
- Choose a policy, apply consistently, disclose (IAS 1.122)
- Perpetual minimum-tax payer: DTDs give no benefit → no DTA; ETR above statutory

s.163(2): TDS on specified sources treated as minimum tax; not refundable

s.163(6) turnover tax: 1% general (SRO 324/2026 slab for 'other cases': 0% ≤ Tk 2cr; 0.5% Tk 2–4cr; 1% > Tk 4cr); tobacco 3%, beverages 2.5%, mobile/NTTN 1.5%

Excess minimum tax: carry-forward introduced by Finance Ordinance 2025

Other AIT/TDS: credited against final liability (source tax credit)

Losses: 6 years; unabsorbed depreciation unlimited; Third Schedule WDV (P&M 10%, factory bldg 10%, bldg 5%)

VERIFY: Rates and sections reflect Finance Act 2026, NBR Income Tax Circular 2026-27 and SRO 324/2026. Confirm the carry-forward period for excess minimum tax, final-tax source list and section numbers for losses before external use.

Common practical challenges and audit focus areas

DTA recoverability

Board-approved forecasts; 6-year loss expiry; history of losses (12.35)

Minimum-tax situations

DTA not usable; ETR distortion; policy for excess minimum tax

Finance Act rate changes

Enactment timing near 30 June; 27.5% vs 25% condition

Reconciliation errors

Missing tax-base registers; prior-year true-ups; rate rec not tying

Group reporting

Local IFRS vs parent GAAP; Tagetik/HFM packs; Pillar Two data

Uncertain tax positions

IFRIC 23 for long-pending appeals and disallowances

Key takeaways

Balance sheet first
Compare CA with tax base for every asset and liability

DTL: always
All taxable TDs, except goodwill, IRE and 12.39 investments

DTA: if probable
Probable future profit; convincing evidence after losses

Measure & locate
Enacted rates on reversal; no discounting; tax follows the item

Recent amendments
Gross DT on leases (2021); Pillar Two exception & disclosures (2023)

Bangladesh reality
Minimum tax, 6-year loss expiry, Finance Act timing – document judgements

Questions & Answers

Thank you



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