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**SINGAPORE FINANCIAL REPORTING STANDARDS  
(INTERNATIONAL)**

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**SFRS(I) INT 1-10  
Government Assistance—No Specific Relation to  
Operating Activities**

This Interpretation is applicable for annual reporting period beginning on  
1 January 2023.

## SFRS(I) INT 1-10

SFRS(I) Interpretation 1-10 *Government Assistance—No Specific Relation to Operating Activities* (SFRS(I) INT 1-10) is set out in paragraph 3. SFRS(I) INT 1-10 should be read in the context of the Basis for Conclusions on International Financial Reporting Standards. The scope and authority of Interpretations are set out in the *Preface to Singapore Financial Reporting Standards (International)*.

## Preface

Singapore Financial Reporting Standards (International) (SFRS(I)s) are available for entities to apply for annual reporting periods beginning on or after 1 January 2018.

The first volume of SFRS(I)s contains the equivalent of the consolidated text of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual reporting period beginning on 1 January 2018.

In this Interpretation, paragraphs with a prefix 'IFRS' refer to effective date, transition provisions and/or other text that are extracted from IFRSs. An entity that is not a first-time adopter shall apply those requirements, if applicable<sup>1</sup>. Paragraphs that are specific to SFRS(I)s are indicated with a prefix 'SG'.

Notwithstanding the effective date and transition provisions in this Interpretation, an entity that is a first-time adopter of SFRS(I)s<sup>2</sup> shall:

- (A) Initially apply this Interpretation in the first annual period in which it adopts SFRS(I)s; and
- (B) Apply SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* in its first SFRS(I) financial statements. The entity shall also apply SFRS(I) 1 in each interim financial report that it presents in accordance with SFRS(I) 1-34 *Interim Financial Reporting* for any part of the period covered by its first SFRS(I) financial statements.

SFRS(I) INT 1-10 *Government Assistance—No Specific Relation to Operating Activities* is equivalent to SIC-10 *Government Assistance—No Specific Relation to Operating Activities*. An entity that complies with SFRS(I) INT 1-10 can simultaneously comply with SIC-10.

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1 For example, SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* specifies that the transitional provisions in SFRS(I)s apply to a transitioning entity's transition to SFRS(I)s. SFRS(I) 1 defines a 'transitioning entity' as an entity that presents its first SFRS(I) financial statements, and that presented its annual financial statements in the most recent previous year that contained an explicit and unreserved statement of compliance with IFRSs.

2 SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* defines a 'first-time adopter' as an entity that presents its first SFRS(I) financial statements. A first-time adopter excludes a transitioning entity.

## **SFRS(I) Interpretation 1-10**

### ***Government Assistance—No Specific Relation to Operating Activities***

#### **References**

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- SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- SFRS(I) 1-20 *Accounting for Government Grants and Disclosure of Government Assistance*

#### **Issue**

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- 1 In some countries government assistance to entities may be aimed at encouragement or long-term support of business activities either in certain regions or industry sectors. Conditions to receive such assistance may not be specifically related to the operating activities of the entity. Examples of such assistance are transfers of resources by governments to entities which:
  - (a) operate in a particular industry;
  - (b) continue operating in recently privatised industries; or
  - (c) start or continue to run their business in underdeveloped areas.
- 2 The issue is whether such government assistance is a 'government grant' within the scope of SFRS(I) 1-20 and, therefore, should be accounted for in accordance with this Standard.

#### **Consensus**

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- 3 Government assistance to entities meets the definition of government grants in SFRS(I) 1-20, even if there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors. Such grants shall therefore not be credited directly to shareholders' interests.

#### **Date of consensus**

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IFRS. January 1998

#### **Effective date**

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IFRS. [SIC-10 *Government Assistance—No Specific Relation to Operating Activities* (issued in 1998)] becomes effective on 1 August 1998. Changes in accounting policies shall be accounted for in accordance with IAS 8.