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/ MASB publishes amendments to MFRS 121 to provide more useful information in financial statements when a currency cannot be exchanged into another currency
(8 September 2023)

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The Malaysian Accounting Standards Board (MASB) has today issued *Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)*.

The Amendments is word-for-word *Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)* issued by the International Accounting Standards Board (IASB).

ABOUT THE AMENDMENTS

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

The Amendments will become effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The "Notice of Issuance" can be downloaded [here](#).

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