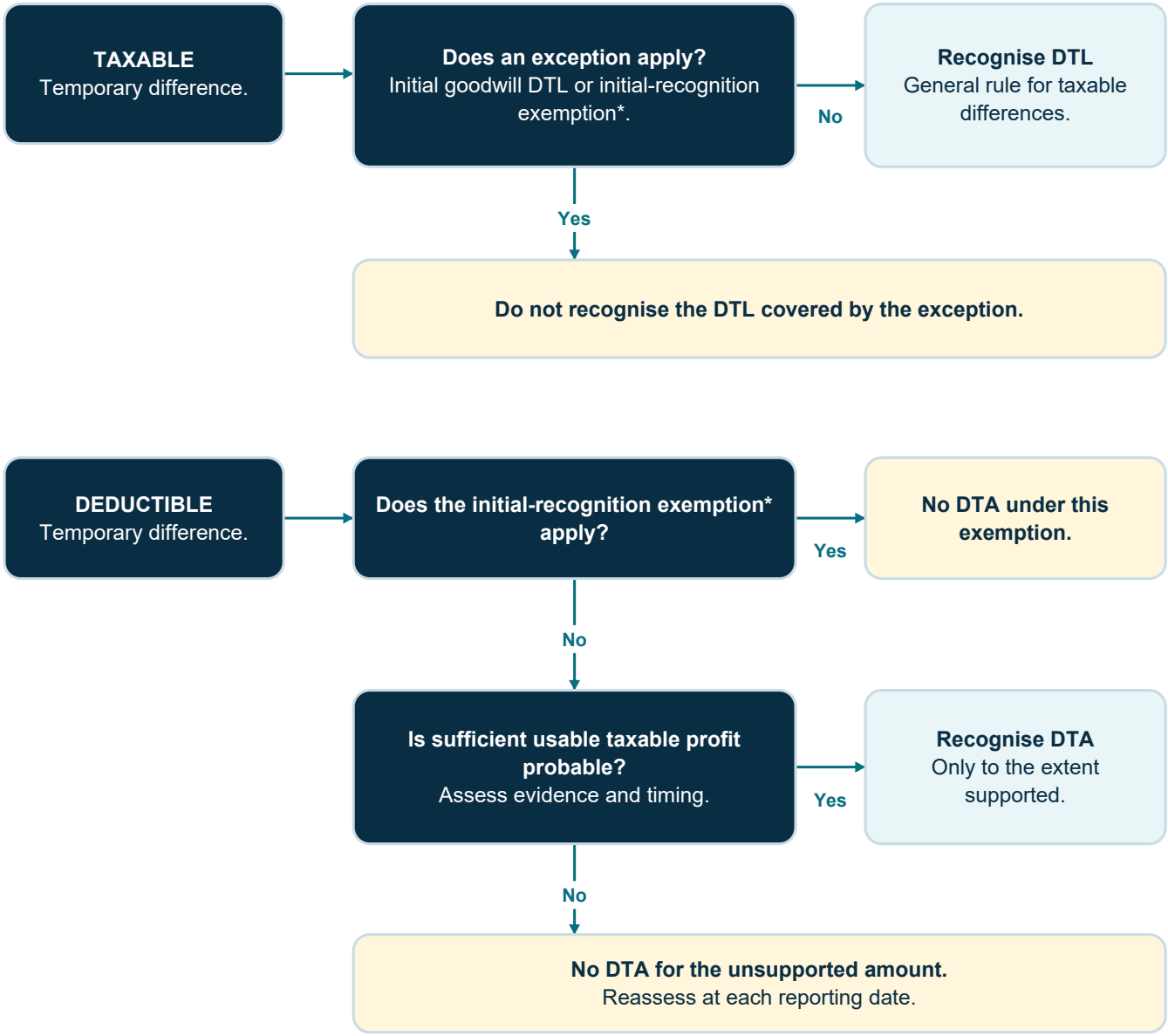
Does the difference become a balance?

MODULE 4 / RECOGNITION AFTER THE CA-TB COMPARISON

First identify whether the temporary difference is taxable or deductible. Follow the relevant branch, then measure any balance using the appropriate tax rate.



***All three conditions:** the transaction is not a business combination; it affects neither accounting nor taxable profit on initial recognition; and it does not create equal taxable and deductible temporary differences. Special investment rules require a separate assessment; they are outside this map.

Unused losses/credits: apply their separate probable-recovery assessment. They are not CA-TB temporary differences. Recognition is never automatic merely because a tax loss exists.

CPA Australia FR study guide, sixth edition (October 2022), Module 4. Original Accounting Ahead examples and workings. Guide printed pages 180-188. AASB 112 (June 2021 amendments), paragraphs 15, 22, 24, 27-37 and 98J; AASB 2021-5 announcement. The guide includes the third exemption condition issued in 2021, effective from 1 January 2023 with early application permitted. This is guide-aligned historical study material.