



IFRS on Point

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International headlines

IASB finalises Phase 1 of its IBOR reform project

The International Accounting Standards Board (IASB) has published *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)* as a first step in addressing the potential effects the IBOR reform could have on financial reporting. The amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted.

Please click for:

- **IASB press release**
- Deloitte's *IFRS in Focus* newsletter explaining the amendments

IASB Board Meeting (September 2019)

The IASB met in London on 24–26 September 2019.

The following topics were on the agenda:

- Agenda Consultation
- Research Programme
- Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Business Combinations under Common Control
- Financial Instruments with Characteristics of Equity
- IBOR Reform and the Effects on Financial Reporting
- Rate-regulated Activities
- Management Commentary
- Disclosure Initiative—Targeted Standards-level Review of Disclosures
- Primary Financial Statements
- IFRS for SMEs Standard Review and Update
- Subsidiaries that are SMEs
- Extractive Activities
- Post-implementation Review of IFRS 10-12

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

Please click to access the following documents:

- **IASB Update** and post-meeting podcast on the IASB website
- **Agenda and related agenda** papers on the IASB website
- **Updated IASB work plan** on the IASB website
- **Detailed notes** taken by Deloitte observers on the IAS Plus website

IFRS Interpretations Committee meeting (September 2019)

The IFRS Interpretations Committee met in London on 17 September 2019. During the meeting, the Committee finalised previously discussed agenda decisions and issued new tentative agenda decisions.

Agenda decisions finalised

- Compensation for Delays or Cancellations (IFRS 15)
- Lessee's Incremental Borrowing Rate (IFRS 16)
- Fair Value Hedge of Foreign Currency Risk on Non-Financial Assets (IFRS 9)
- Presentation of Liabilities or Assets Related to Uncertain Tax Treatments (IAS 1)
- Disclosure of Changes in Liabilities Arising from Financing Activities (IAS 7)
- Subsequent Expenditure on Biological Assets (IAS 41)

New tentative agenda decisions

- Training Costs to Fulfil a Contract (IFRS 15)
- Definition of a Lease—Shipping Contract (IFRS 16)
- Translating a Hyperinflationary Foreign Operation—Presenting Exchange Differences (IAS 21 and IAS 29)
- Cumulative Exchange Differences before a Foreign Operation becomes Hyperinflationary (IAS 21 and IAS 29)
- Presenting Comparative Amounts when a Foreign Operation first becomes Hyperinflationary (IAS 21 and IAS 29)

Please click to access the following:

- **Agenda and related agenda papers** on the IASB website
- **IFRIC Update** on the IASB website
- **Detailed notes** taken by Deloitte observers on the IAS Plus website

IFRS Advisory Council meeting (September 2019)

The IFRS Advisory Council met in London on 18–19 September 2019. The following items were on the agenda:

- 2020 Agenda Consultation—Proposed Approach
- Consistent Adoption and Application of IFRS Standards
- Digital Experience for Customers and Stakeholders
- Effective Risk Management
- Effect of Technology on the Investment Process
- Update on Trustees and Foundation Activities

Please click to access the following:

- **Agenda and related agenda papers** on the IASB website
- **Meeting Report** on the IASB website

IASB Chairman speaks at WSS meeting

At the World Standard-Setters (WSS) meeting held in London, IASB Chairman Hans Hoogervorst delivered updates on the major IASB projects on Primary Financial Statements, Goodwill and Impairment and Rate-Regulated Activities.

He also indicated that the IASB is going to consult on a revised Management Commentary Practice Statement, on Business Combinations under Common Control, on whether the *IFRS for SMEs* Standard should be updated to reflect changes in full IFRS Standards, and on the future agenda of the IASB.

Please click to access the full transcript of Mr Hoogervorst's speech on the **IASB website**.

IASB Chairman speaks in South Korea

In a keynote speech given at an event organised to celebrate the 20th anniversary of the Korea Accounting Standards Board (KASB), IASB Chairman Hans Hoogervorst discussed Korea's contribution to international standard-setting through history and how the contribution will remain relevant in the future.

Please click to access the full the transcript of Mr Hoogervorst's speech on the **IASB website**.

IASB publishes Investor Perspectives article on proposed amendments to IFRS 17

The IASB has issued the latest issue of Investor Perspectives. In this edition, IASB Board member Nick Anderson discusses the new disclosures in the targeted amendments to IFRS 17.

This issue features insight into the proposed amendments related to commission paid on short-term insurance contracts with expected renewals and profit recognition on long-term insurance contracts with investment returns.

Please click to access the **press release** and **Investor Perspectives** article on the IASB website.

IASB publishes article about its Goodwill and Impairment project

The IASB has published an article by IASB Board member Tom Scott on the status of the Board's Goodwill and Impairment project following its post-implementation review of IFRS 3.

Please click to access the **article** on the IASB website.

IASB announces seventh research forum

The IASB will hold its seventh Research Forum on 2–3 November 2020 in Oxford. The Forum will be held together with the journal Accounting and Business Research (ABR). The call for papers inviting submissions that can provide evidence to inform the standard-setting activities of the IASB notes the following areas of particular interest:

- Performance measures, including alternative (management) performance measures
- Wider financial reporting and management commentary
- Better disclosure
- Comparability of financial information
- Intangibles
- Goodwill and impairment
- Equity accounting
- Financial instruments, especially effects analyses
- Revenue from contracts with customers, especially effects analyses
- Leases, especially effects analyses

Please click for more information on the **IASB website**.

EFRAG comment letter on the proposed amendments to IFRS 17

The European Financial Reporting Advisory Group (EFRAG) has published its final comment letter on the IASB Exposure Draft *Amendments to IFRS 17*.

Please click to access the following on the EFRAG website:

- **Press release**
- **Final comment letter**

EFRAG draft comment letter on proposed amendments to IAS 12

EFRAG has issued a draft comment letter on the IASB Exposure Draft *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction—Proposed amendments to IAS 12*.

Please click to access the following on the EFRAG website:

- **Press release**
- **Draft comment letter**

EFRAG research into cryptoassets

EFRAG is currently conducting research into accounting challenges that are not addressed within existing IFRS Standards.

EFRAG is seeking to engage with subject matter experts and practitioners to discuss the following:

- Issuance via initial coin offerings and similar offerings
- Holding/investing activities and payment services
- Custodial and storage services
- Mining services

Please click for more information on the **EFRAG website**.

EFRAG appoints new TEG member

The Board of EFRAG has announced the appointment of Olivier Schérer to its Technical Experts Group (TEG), effective from 16 September 2019.

For more information, see the press release on the **EFRAG website**.

ESMA continues series of video tutorials on ESEF

The European Securities and Markets Authority (ESMA) has released the third in a series of tutorial videos designed to guide market participants through the new requirements of European Single Electronic Format (ESEF), which will become effective in 2020.

Please click to access the seven minute video on **YouTube**.

FRC Lab report on cash disclosures

A new report from the Financial Reporting Lab of the UK Financial Reporting Council (FRC) considers disclosures on the sources and uses of cash.

The report considers how companies can answer investors' questions about how a company generates cash and how it intends to use that cash. It provides practical guidance on how companies can give more information and context around its cash disclosures, including business model disclosures, capital allocation frameworks, reverse factoring arrangements and many others.

Please click to download the new report from the **FRC website**.

FASB and ASBJ hold biannual meeting

On 29–30 August, the FASB and the Accounting Standards Board of Japan (ASBJ) met in Norwalk.

In addition to giving updates on their respective standard-setting activities at the meeting, the two boards exchanged views on technical topics in which they both have an interest, including accounting for goodwill and intangibles, reference rate reform, accounting for leases, and financial performance reporting and disclosures.

The next meeting between the FASB and ASBJ is expected to be held in the first quarter of 2020 in Tokyo.

For more information about the latest meeting, see the press release on the **ASBJ website**.

IVSC begins article series on goodwill amortisation

The International Valuation Standards Council (IVSC) has published the first article in a series looking into whether principles underlying business valuations are compatible with the concept of goodwill amortisation. The series aims at encouraging public discussion by exploring certain fundamental questions in this area to inform financial statement preparers, reviewers and users, and aid the capital market.

The first article *Is Goodwill a Wasting Asset?* can be accessed through the press release on the **IVSC website**.

Recent sustainability and integrated reporting developments

- The Corporate Reporting Dialogue (CRD), which brings together organisations that have significant international influence on the corporate reporting landscape, announced a two-year project focus on aligning the standards and frameworks of its members. A report *Driving Alignment in Climate-related Reporting* was now launched amongst businesses and investors at the World Economic Forum's Sustainable Development Impact Summit, during Climate Week NYC.

Please click to access the full report on the **CRD website**.

- The Sustainability Accounting Standards Board (SASB) and the Climate Disclosure Standards Board (CDSB) have jointly released the Task Force on Climate-related Financial Disclosures (TCFD) Good Practice Handbook, a complement to the TCFD Implementation Guide, released in May 2019. The handbook provides real-world examples of TCFD reporting to help companies better understand how they can more effectively

communicate with investors about the financially material climate-related risks and opportunities they face.

Please click to download the handbook on the **CDSB website**.

- The CDSB has launched a climate-related financial disclosure e-learning platform designed to help organisations fill the knowledge gap and enhance their disclosures of climate-related information. Hosted on the TCFD Knowledge Hub, the e-learning courses will be CPD-accredited and suitable for companies, investors and finance professionals.

Please click for more information on the **CDSB website**.

- The Association of Chartered Certified Accountants (ACCA), Chartered Accountants Australia and New Zealand (CAANZ) and Institute of Chartered Accountants of Scotland (ICAS) have jointly published *Recommendations for SDG Disclosures: a consultation paper*. The proposed recommendations for sustainable development goals (SDG) disclosure are designed to be both used in conjunction with existing reporting frameworks and neutral with respect to them. The recommendations are also SDG-specific, recognising the complexity and interconnectedness of the sustainable development issues that the SDGs address.

Please click for more information on the **ACCA website**.

- The International Integrated Reporting Council (IIRC) has published its 2018 integrated report with, for the first time, limited assurance from an independent auditor.

Please click for more information and access to the report on the **IIRC website**.

- The Global Reporting Initiative (GRI) announces that the 2018 versions of two Standards—GRI 303 *Water and Effluents* and GRI 403 *Occupational Health and Safety*—have been translated into Arabic.

All Arabic translations of GRI Standards are available here on the **GRI website**.

Deloitte IFRS communications and publications

Issuance Date	Description
16 September 2019	<i>IFRS on Point</i>—August 2019
26 September 2019	<i>IFRS in Focus</i>—IASB issues Interest Rate Benchmark Reform amendments to IFRS 9, IAS 39 and IFRS 7

Comment letters

	Description	Receiving party	Comment letter issued
Comment Letters Issued	Exposure Draft <i>Amendments to IFRS 17</i>	IASB	25/09/2019

	Description	Receiving party	Comment letter deadline
Comment Letters Pending	2019 SME Implementation Group Draft Q&A Section 35, Issue 1	IASB	20/08/2019
	Exposure Draft <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Proposed amendments to IAS 12)</i>	IFRS IC	20/08/2019
	Tentative Agenda Decision—<i>Definition of a Lease: Shipping Contract (IFRS 16)</i>	IFRS IC	20/08/2019
	Tentative Agenda Decision—<i>Training Costs to Fulfil a Contract (IFRS 15)</i>	IFRS IC	20/08/2019
	Tentative Agenda Decision—<i>Presenting Comparative Amounts when a Foreign Operation First becomes Hyperinflationary</i>	IFRS IC	20/08/2019
	Tentative Agenda Decision—<i>Cumulative Exchange Differences arising before a Foreign Operation becomes Hyperinflationary (IAS 21 and IAS 29)</i>	IFRS IC	20/08/2019
	Tentative Agenda Decision—<i>Translation of a Hyperinflationary Foreign Operation: Presenting Exchange Differences (IAS 21 and IAS 29)</i>	IFRS IC	20/08/2019
	Exposure Draft <i>Disclosure of Accounting Policies (Proposed amendments to IAS 1 and IFRS Practice Statement 2)</i>	IASB	29/11/2019

Effective dates

Click [here](#) for upcoming and recent effective dates.

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