



IFRS on point

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Deloitte launches new webcast series on accounting considerations related to COVID-19

In light of the current events, Deloitte has produced a video series to support businesses that are affected by COVID-19. These short and informative videos (4–10 minutes in length) supplement Deloitte's *IFRS in Focus* which is a living document and is regularly updated to address the latest developments and thinking about the critical accounting impacts under IFRS Standards. The *IFRS in Focus* publication and the videos are intended to add value to clients and practitioners as they help navigate the uncertainties and complexities of the current environment.

Currently, we have five videos that are live on IAS Plus and DART, and we have several more in development that will be published in the coming weeks.

The following video topics are currently available:

- Impairment of non-financial assets
- Onerous contracts
- Judgements and estimates
- Events after the reporting period
- Covenants

Please click to access the **videos** on the IAS Plus website.

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

IASB publishes proposed amendment regarding COVID-19-related rent concessions

The International Accounting Standards Board (IASB) has published an Exposure Draft (ED) on a proposed amendment to IFRS 16 titled *Covid-19-Related Rent Concessions*. The ED proposes a practical expedient that would provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

The practical expedient would apply only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- Any reduction in lease payments affects only payments originally due in 2020 (a rent concession would meet this condition if it results in reduced lease payments in 2020 and increased lease payments that extend beyond 2020); and
- There is no substantive change to other terms and conditions of the lease.

The ED does not propose any changes to lessor accounting.

Please click to access the following:

- **Press release** on the IASB website
- The **Exposure Draft** on the IASB website
- **IFRS in Focus** newsletter outlining the key concepts of the ED on the IAS Plus website

IASB publishes proposed amendments as a result of the second phase of its project on the IBOR reform

The IASB has published an ED which proposes amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 titled *Interest Rate Benchmark Reform—Phase 2* to address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates.

Please click to access the following:

- IASB **press release** on the IASB website
- The **Exposure Draft** on the IASB website
- **Snapshot** introducing the proposed amendments on the IASB website
- **IFRS in Focus** newsletter explaining the proposed amendments on the IAS Plus website

Supplementary IASB Board meeting on COVID-19-related matters

The IASB held a supplementary IASB meeting via video conference on 17 April 2020 to consider COVID-19-related matters.

The following topics were discussed:

- Whether to extend timelines for consultation documents and final amendments
- Due process steps to delay the effective date of *Classification of Liabilities as Current or Non-Current*
- A possible amendment to IFRS 16 Leases in response to changes in lease payments that have occurred or are expected to occur as a result of the pandemic

Please click to access the following:

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

IASB Board meeting (April 2020)

The IASB met via video conference on 21–23 April 2020.

The following topics were on the agenda:

- Amendments to IFRS 17 *Insurance Contracts*
- Financial Instruments with Characteristics of Equity
- Post-implementation reviews of IFRS 10, IFRS 11 and IFRS 12

- Maintenance and consistent application:
 - Lease Liability in a Sale and Leaseback
 - Lack of Exchangeability
 - Commodity Loans
 - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)
- Management Commentary
- Review of the *IFRS for SMEs* Standard
- Disclosure Initiative—Subsidiaries that are SMEs

Please click to access the following:

- **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

IASB releases podcast on IFRS 17

The IASB has released a podcast featuring IASB member Darrel Scott and technical staff member Roberta Ravelli as they discuss the developments at the April 2020 Board meeting related to the amendments to IFRS 17.

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

IASB Chairman discusses annual cohorts in IFRS 17

IASB Chairman Hans Hoogervorst has published an article explaining the reasons supporting the IASB's recent decision to uphold the annual cohort requirement in IFRS 17 for grouping insurance contracts to measure and recognise profit.

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

IFRS Foundation publishes second compilation of IFRS Interpretations Committee agenda decisions

The IFRS Foundation has issued *Compilation of Agenda Decisions—Volume 2* which contains all the agenda decisions made by the IFRS Interpretations Committee from October 2019 to March 2020.

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

The IASB provides three methods to respond to the second comprehensive review of the IFRS for SMEs Standard

The Request for Information *Comprehensive Review of the IFRS for SMEs Standard* seeks comments on strategic and general questions, specific sections of the *IFRS for SMEs* Standard, as well as new topics and other matters related to the *IFRS for SMEs* Standard.

Stakeholders will be able to submit feedback by choosing one of the following three options:

- Comment letter process: For stakeholders that currently have this process in place.
- Optional response document: For stakeholders without an existing comment letter process, but with the time and resources to provide one.
- Online survey: For stakeholders with limited time and resources.

Please click to access the **press release** on the IASB website.

DPOC meeting (April 2020)

The Due Process Oversight Committee (DPOC) of the IFRS Foundation met via conference call on 16 April 2020.

The DPOC discussed the proposed shortened comment letter periods for potential exposure drafts on:

- Deferral of the effective date of *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)*
- Proposed amendment to IFRS 16 related to COVID-19-related rent concessions.

Please click to access the following:

- **Agenda and related papers** on the IASB website
- **Report** of the meeting on the IASB website

Summary of the March 2020 GPF meeting

The IASB has published a summary of the Global Preparers Forum (GPF) meeting held in London on 5 March 2020.

Please click to access the **meeting summary** on the IASB website.

IFRS Foundation seeks IASB Board members

The IFRS Foundation Trustees are seeking to appoint two new Board members, both from Europe. Nominations for IASB Board membership close on 26 June 2020.

Please click to access the **press release** on the IASB website.

IFRS Foundation seeks Trustee applications

The IFRS Foundation is seeking four Trustees: one from Europe, two from the Americas and one from the “at large” category. These trustees’ responsibilities will include:

- Oversight of the Foundation in the public interest and its strategic direction
- Appointments to the Board, the IFRS Interpretations Committee and the IFRS Advisory Council
- Ensuring the financing of the Foundation and approval of its budget

Please click to access the **press release** on the IASB website.

Applicants invited for IFRS Interpretations Committee membership—Deadline extended

In March 2020, the Trustees of the IFRS Foundation invited applications for candidates to fill four vacancies on the IFRS Interpretations Committee. The deadline for applications has now been extended to 8 May 2020.

Please click to access the **press release** on the IASB website.

IFRS Foundation appoints and reappoints ITCG members

The IFRS Foundation has announced the appointment of five new membership organisations and four new representatives of existing membership organisations to the IFRS Taxonomy Consultative Group (ITCG). It has also reappointed six members.

Please click to access a **full list of appointees** on the IASB website.

IOSCO statement on the application of accounting standards during the COVID-19 outbreak

The International Organization of Securities Commissions (IOSCO) has released a statement on consistent application and enforcement of high-quality accounting standards which are of critical importance to the proper functioning of the capital markets—especially in times of uncertainty.

Please click to access **the statement** on the IOSCO website.

IOSCO sees role for itself in sustainable finance

The Board of IOSCO has published a report titled *Sustainable Finance and the Role of Securities Regulators and IOSCO*.

Please click to access the following:

- The **press release** on the IOSCO website
- The **final report** on the IOSCO website

ESMA expands Q&A document on the implementation of its APM guidance

To promote common supervisory approaches and practices in the implementation of its issued *Guidelines on Alternative Performance Measures (APM)*, ESMA, the European Securities and Markets Authority, has issued a new Q&A (Q&A 18) which explains considerations an entity should make before publishing new and/or modified APMs to present the impact of COVID-19.

Please click to access the **updated document** on the ESMA website.

ESMA publishes report on the activities of accounting enforcers and their findings within the EU in 2019

ESMA published a report that provides an overview of the activities of ESMA and the accounting enforcers in the European Union (EU) when examining compliance of financial information provided by issuers listed on regulated markets with the applicable financial reporting framework in 2019.

In addition, ESMA has published further extracts from its confidential database of enforcement decisions taken by European national enforcers. This batch deals with decisions in relation to IFRS 15 (three decisions), IFRS 7, IFRS 9/IAS 12, IFRS 10, IAS 34, and IFRS 15/IFRS 16.

Please click to access the following reports:

- **Enforcement and regulatory activities of European enforcers in 2019** on the ESMA website
- **24th Extract from the EECs's Database of Enforcement** on the ESMA website

EFRAG, EFFAS, ABAF/BVFA, and IASB to host joint outreach event on general presentation and disclosures in financial statement

The European Financial Reporting Advisory Group (EFRAG), the European Federation of Financial Analysts Societies (EFFAS), the Belgian Association of Financial Analysts (ABAF/BVFA) and the IASB will host a joint outreach event composed of two webinars on 19 and 26 May 2020 on the IASB ED *General Presentation and Disclosures*.

Please click to access the **press release** on the EFRAG website.

EFRAG draft comment letter on IBOR ED

EFRAG has published a draft comment letter on the IASB ED on the proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 titled *Interest Rate Benchmark Reform—Phase 2*.

Please click to access the following:

- The **press release** on the EFRAG website
- The **draft comment letter** on the EFRAG website

EFRAG extends consultation period on primary financial statements

EFRAG has decided to extend the timelines of its activities around the IASB ED on *General Presentation and Disclosures*.

The main activities of EFRAG in this context are the EFRAG draft comment letter and field-testing on the ED.

Please click to access the **press release** on the EFRAG website.

Feedback on EFRAG discussion paper on pension plans with an asset-return promise

EFRAG has published a feedback statement summarising the main messages from respondents to the EFRAG discussion paper *Accounting for Pension Plans with an Asset-Return Promise*.

Please click to access the **feedback statement** on the EFRAG website.

EC consultation on the revision of the NFRD—Deadline extended

In February 2020, the European Commission (EC) launched an initiative to review the European Non-Financial Reporting Directive (NFRD). The deadline for comments has now been extended to 11 June 2020.

Please click to access the **consultation page** on the EC website.

EC launches consultation on renewed sustainable finance strategy

In the context of the European Green Deal and building on the 2018 Action Plan on financing sustainable growth, the EC has launched a consultation on its renewed sustainable finance strategy.

Please click to access the **consultation page** on the EC website.

Responses to Accountancy Europe Cogito paper show strong support for a global solution to non-financial reporting

In December 2019, Accountancy Europe published a paper describing and calling for a global solution to an interconnected standard-setting. The comment deadline for the paper has now ended and the responses show strong support for a global approach to standard-setting in this area.

Please click to access the following:

- The **published paper** on the Accountancy Europe website
- The **responses** received on publication on the Accountancy Europe website
- The Deloitte **comment letter** on the IAS Plus website

AcSB article series on COVID-19 accounting questions

The Accounting Standards Board of Canada (AcSB) has published a series of short articles on accounting considerations in the context of COVID-19.

So far, the following articles are available:

- Going Concern and Liquidity Risk
- Potential Impact on Lease Accounting
- Events After the Reporting Period
- Income Taxes
- Impairment of Non-financial Assets
- Potential Impact on IFRS 13 *Fair Value Measurement*
- Discount Rates

Please click to access the **articles** on the AcSB website.

IPSASB publishes COVID-19 guidance

The International Public Sector Accounting Standards Board (IPSASB) has published *COVID-19: Relevant IPSASB Accounting Guidance*. The questions and answers publication was issued by the staff of the IPSASB to provide insight into the financial reporting issues associated with COVID-19 government responses.

Please click to access the **publication** on the IPSASB website.

IPSASB extends comment letter deadline for its three recent exposure drafts

On 24 February 2020, the IPSASB released three interconnected exposure drafts:

- ED 70 *Revenue with Performance Obligations*
- ED 71 *Revenue without Performance Obligations*
- ED 72 *Transfer Expenses*

The IPSASB announced that the new comment letter deadline for the three exposure drafts is now 1 November 2020.

Please click to access the **press release** on the IPSASB website.

Deloitte IFRS communications and publications

Issuance Date	Description
08 April 2020	<i>IFRS on Point</i> —March 2020
16 April 2020	<i>IFRS in Focus</i> —IASB proposes <i>Interest Rate Benchmark Reform—Phase 2: Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16</i>
20 April 2020	Updated <i>IFRS in Focus</i> —Accounting considerations related to the Coronavirus 2019 Disease
24 April 2020	<i>IFRS in Focus</i> —IASB proposes to amend IFRS 16 <i>Leases</i> regarding COVID-19-related rent concessions

Comment letters

	Description	Receiving party	Comment issued/ deadline
Comment Letters Pending	Exposure Draft: <i>Covid-19-Related Rent Concessions</i>	IASB	08/05/2020
	Tentative Agenda Decision—Deferred Tax Related to an Investment in a Subsidiary (IAS 12)	IFRS IC	13/05/2020
	Tentative Agenda Decision and comment letters—Sale and Leaseback with Variable Payments (IFRS 16)	IFRS IC	13/05/2020
	Exposure Draft— <i>Interest Rate Benchmark Reform—Phase 2: Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16</i>	IASB	25/05/2020
	Exposure Draft— <i>General Presentation and Disclosures</i>	IASB	30/09/2020
	Request for Information— <i>Comprehensive Review of the IFRS for SMEs Standard</i>	IASB	27/10/2020
	Discussion Paper— <i>Business Combinations—Disclosures, Goodwill and Impairment</i>	IASB	31/12/2020

Effective dates

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

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