



IFRS on Point

Financial and Sustainability Reporting Developments and Information from July 2022

International headlines

Updates to Deloitte iGAAP manual

Deloitte IFRS communications and publications

Comment letters

Effective dates

International headlines

IASB meeting (July 2022)

The International Accounting Standards Board (IASB) met on 18-21 July 2022.

The following topics were discussed:

- Post-implementation Review of IFRS 9—Classification and Measurement
- Dynamic Risk Management
- Financial Instruments with Characteristics of Equity
- Rate-regulated Activities
- Disclosure Initiative—Targeted Standards-level Review of Disclosures
- Management Commentary
- Contractual Cash Flow Characteristics of Financial Assets (Amendments to IFRS 9)
- Goodwill and Impairment
- Primary Financial Statements
- Post-implementation Review of IFRS 9—Impairment
- Maintenance and consistent application

Please click to access the following:

- **IASB Update** and **post-meeting podcast** on the IFRS Foundation website
- **Agenda and related agenda papers** on the IFRS Foundation website
- **Work plan analysis** on IAS Plus
- **Detailed meeting summaries** taken by Deloitte observers on IAS Plus

Podcast on IFRS Interpretations Committee developments

The IFRS Foundation has issued a podcast on the developments of the IFRS Interpretations Committee during the second quarter of 2022.

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

The podcast is hosted by IFRS Interpretations Committee Chair and IASB member Bruce Mackenzie and Technical Staff member Patrina Buchanan and focuses on:

- Principal versus Agent: Software Reseller
- Negative Low Emission Vehicle Credits
- Cash Received via Electronic Transfer as Settlement for a Financial Asset
- Transfer of Insurance Coverage under a Group of Annuity Contracts
- Special Purpose Acquisition Companies (SPAC): Classification of Public Shares as Financial Liabilities or Equity
- Consolidation of a Non-hyperinflationary Subsidiary by a Hyperinflationary Parent
- Multi-currency Groups of Insurance Contracts

Please click to access the **press release** on the IFRS Foundation website.

IASB concludes agenda consultation by releasing a feedback statement

In 2021, the IASB conducted its third public consultation to seek broad public input on the strategic direction and overall balance of its future work programme. This feedback has helped to shape the IASB's activities and work plan.

The three main strategic priorities for the next 5 years are to:

- Maintain the strategic direction and balance of the IASB's activities while increasing slightly efforts to develop digital financial reporting and improving the understandability and accessibility of IFRS Accounting Standards
- Progress current projects
- Add intangibles, statement of cash flows and climate-related risk in financial statements to the work plan

Please click to access the following:

- **Press release** on the IFRS Foundation website
- **Feedback statement** on the IFRS Foundation website
- **Snapshot summarising the IASB's technical priorities for 2022 to 2026** on the IFRS Foundation website

Monitoring Board discusses the ongoing activities of the ISSB

The IFRS Foundation Monitoring Board has released a short report on the meeting with the IFRS Trustees and the leadership of the IASB and ISSB in Montreal. Given current developments, much of the meeting was devoted to the ongoing public consultation by the ISSB on the draft standards.

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

IFRS Foundation Conference 2022

The IFRS Foundation Conference 2022 was held on 23 and 24 June 2022, split into one sustainability day and one accounting day. The IFRS Foundation has now published a short summary of the conference on its website.

Please click to access the **short summary of the whole conference** on the IFRS Foundation website.

Meetings of IFRS Foundation Trustees and Due Process Oversight Committee - June 2022 meetings

The IFRS Foundation Trustees met on 28–30 June 2022 and the Due Process Oversight Committee (DPOC) met on 28 June 2022 in Montreal.

The IFRS Foundation Trustees meeting included the following:

- Report of the Chair of the Trustees and the Executive Director
- Report of the Chair of the IASB
- Managing the challenges of maintaining convergence with US GAAP
- Report of the Chair of the IFRS Advisory Council
- Report of the Chair of the ISSB
- IFRS Foundation's sustainability strategy and approach
- Organisational culture
- Reports from the Trustees Committee meetings
- Stakeholder engagements

DPOC meeting included IASB and ISSB related matters.

Please click to access the **full summary** on the IFRS Foundation website.

Report of the May 2022 Emerging Economies Group meeting

The 23rd meeting of the IASB's Emerging Economies Group (EEG) was held in hybrid format on 16–17 May 2022. The IASB has published a full report of the meeting.

Participants at the meeting, which was chaired by IASB member Tadeu Cendon, discussed an update on the ISSB work, the ISSB exposure drafts on general requirements and on climate, lack of exchangeability, IAS 41 *Agriculture*, and an update on IASB and IFRS Interpretations Committee activities.

Please click to access the **full report** on the IFRS Foundation website.

Summary of the June 2022 joint CMAC-GPF meeting

Representatives from the IASB met with both the Capital Markets Advisory Council (CMAC) and Global Preparers Forum (GPF) in London on 16–17 June 2022. A meeting summary from the joint meeting has now been released. The topics discussed at the meeting included:

- IASB and IFRS Interpretations Committee updates
- Primary Financial Statements
 - Operating expenses
 - Unusual income/expense
- Post-implementation review of IFRS 9 — Classification and Measurement
- Goodwill and Impairment
- ISSB update and ISSB exposure drafts

The next GPF meeting will be held on 11 November 2022; the next CMAC meeting will take place on 6 October 2022.

Please click to access the **meeting notes** on the IFRS Foundation website.

IFRS Foundation announces IFRS Interpretations Committee appointments

The Trustees of the IFRS Foundation have announced the appointment of Yanli Liu, who will replace Zheng Yang, and have reappointed Lisa Bomba, Jens Freiberg, Karsten Ganssauge and Brian O'Donovan to the IFRS Interpretations Committee.

Please click to access the **press release** on the IFRS Foundation website,

IFRS Foundation announces two additional ISSB members

The Trustees of the IFRS Foundation have announced the appointment of Tae-Young Paik and Elizabeth Seeger as ISSB Board members. The press release notes that the appointment of the remaining Board members is at an 'advanced stage'.

Please click to access the **press release** on the IFRS Foundation website,

IFRS Foundation Trustees seek to fill Advisory Council vacancies

The Trustees of the IFRS Foundation are calling for candidates to fill vacancies occurring at the end of 2022 for membership to the IFRS Advisory Council. In addition, the Trustees have agreed to a temporary expansion of the Advisory Council to reflect the recent creation of the ISSB that has led to an expanded remit of the Advisory Council.

Please click to access the **press release** on the IFRS Foundation website,

IASB publishes editorial corrections

The IASB has published a second set of editorial corrections for 2022.

The corrections relate to the IFRS Foundation Constitution as reproduced in the Red Book and the annotated Red Book 2022.

Please click to access the **editorial corrections page** on the IFRS Foundation website.

IOSCO identifies key issues to focus on when evaluating the ISSB standards

At its recent Board meeting, the International Organization of Securities Commissions (IOSCO) welcomed the strong stakeholder engagement on proposals for a comprehensive global baseline of sustainability disclosures for capital markets. Board members agreed the criteria which IOSCO will use to assess the ISSB standards and have also identified the key issues for IOSCO to focus on.

Please click to access the **full statement** on the IOSCO website,

FSB progress report on addressing climate-related financial risks

The Financial Stability Board (FSB) has submitted to the G20 Finance Ministers and Central Bank Governors its first annual progress report on the July 2021 roadmap to address climate-related financial risks.

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

G20 Chair summarises meeting of Finance Ministers and Central Bank Governors

While the meeting of the G20 Finance Ministers and Central Bank Governors on 16-17 July 2022 in Bali ended without a joint communiqué, the G20 Chair has issued a summary of the discussions and results. The summary notes that the group looks forward to the finalisation of standards by the ISSB for globally consistent, comparable and reliable climate-related financial disclosures.

Please click to access the **full summary** on the G20 website.

ESMA expresses strong support for the ISSB's work

The European Securities and Markets Authority (ESMA) has commented on the two ISSB exposure drafts. The introduction to the comment letter discusses the relationship between European sustainability standards and ISSB standards.

Please click to access the **full comment letter** on the ESMA website.

ESRS outreach event focused on trade unions and NGOs

On 13 July 2022, the European Financial Reporting Advisory Group (EFRAG) hosted a joint outreach event in Brussels to discuss the draft European Sustainability Reporting Standards (ESRS) published in April 2022. The event had a special focus on trade unions and non-governmental organisations (NGOs).

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

Second International Valuation Standards Council perspectives paper on social value

The International Valuation Standards Council (IVSC) is publishing perspectives papers on 'Defining and Estimating 'Social Value''. The second paper in the series examines Social Value as a basis of value, the difference between Social Value and the Social component of ESG, and whether the existing valuation principle of highest and best use can apply to Social Assets and Social Value.

Please click to access the **paper** on the IVSC website.

Updates to Deloitte iGAAP manual

Available at dart.deloitte.com/iGAAP [on subscription only].

Added Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A21 Statement of financial position	4.1.4-1	Restrictions on the use of cash – example
D1 What is an insurance contract?	1.2-1	Determining the issuing entity when insurance contracts are in an industry pool which is managed by an association (previously Q&A IFRS 17: 2-2)
D1 What is an insurance contract?	2.3.2-1	Definition of an insurance contract and contract boundary when insurance risk transferred over time (previously Q&A IFRS 17: B24-1)
D2 Scope of IFRS 17	4.3-1	Accounting for equity-release mortgages (previously Q&A IFRS 17: 11-1)
D2 Scope of IFRS 17	5-2	Meaning of 'related counterparty' when applying IFRS 17 (previously Q&A IFRS 17: 9-1)
D2 Scope of IFRS 17	6.3.2-1	The level at which an entity assesses and identifies an investment component in an insurance contract that provides a profit return determined at the level of an annual cohort in a specified portfolio (previously Q&A IFRS 17: 10-1)
D5 Measurement at initial recognition	5.1.2.3-1A	Definition of a portfolio when determining the boundary of an insurance contract (previously Q&A IFRS 17: 34-5)
D5 Measurement at initial recognition	6.4-1	Weighted average discount rate (previously Q&A IFRS 17: B73-1)
D5 Measurement at initial recognition	7.2-1	Reflecting uncertainty related to management discretion in the risk adjustment (previously Q&A IFRS 17: B98-1)
D5 Measurement at initial recognition	7.3-2	Level at which the risk adjustment for non-financial risk should be determined in an industry pool managed by an association (previously Q&A IFRS 17: 37-1)
D5 Measurement at initial recognition	7.4.5-1	Consideration of reinsurance in the risk adjustment for non-financial risk of insurance contracts issued (previously Q&A IFRS 17: B88-1)
D6 Subsequent measurement	1.1-1	Accounting for insurance risk that arises as a consequence of an incurred claim (previously Q&A IFRS 17: Appendix A-1)
D6 Subsequent measurement	1.4-1	Accounting for the reinstatement of a lapsed contract (previously Q&A IFRS 17: 40-1)
D6 Subsequent measurement	2.5.2-3	Accounting for changes in insurance acquisition cash flows included in the fulfilment cash flows of the recognised group of insurance contracts (previously Q&A IFRS 17: B125-1)
D6 Subsequent measurement	2.8-1	Changes in fulfilment cash flows as a result of inflation (previously Q&A IFRS 17: B128-1)
D6 Subsequent measurement	4.1.7-1	Impact of mortality charge on the definition of insurance contracts with direct participation features (previously Q&A IFRS 17: B101-2)
D6 Subsequent measurement	4.2.2-1	Changes in the fair value of underlying items applying the variable fee approach – statutory measures (previously Q&A IFRS 17: 45-1)
D7 Onerous Contracts	2-1	Accounting for insurance acquisition cash flows which an insurer applying the premium allocation approach has elected to recognise as an expense when incurred in performing the onerous contract test (previously Q&A IFRS 17: 47-1)
D8 Premium allocation approach	2-1A	Reassessment of premium allocation approach eligibility and election (previously Q&A IFRS 17: 53-1)

D9 Reinsurance Contracts Held	4.2-2	Presentation of commissions in reinsurance contracts issued (previously Q&A IFRS 17: 86-1)
D9 Reinsurance Contracts Held	4.3.1-2	Contract boundary of a reinsurance contract with the co-existence of two termination clauses (previously Q&A IFRS 17: 34-3)
D9 Reinsurance Contracts Held	5.2-1	Risk of non-performance of the issuer of a reinsurance contract held (previously Q&A IFRS 17: 63-1)
D9 Reinsurance Contracts Held	5.3-1	Consideration of reinsurance in determining the risk adjustment for reinsurance contracts held (previously Q&A IFRS 17: B88-1)
D9 Reinsurance Contracts Held	5.3-2	Determination of the risk adjustment for non-financial risk when an entity considers the effect of reinsurance – example (previously Q&A IFRS 17: B88-2)
D9 Reinsurance Contracts Held	6-1	Treatment of changes in fulfilment cashflows of reinsurance contracts due to delays in receiving information about underlying insurance contracts (previously Q&A IFRS 17: B124-1)
D11 Modification of an insurance contract	3-1	Exercising an option included within the insurance contract (previously Q&A IFRS 17: 72-1)
D13 Primary financial statements	2.2.2.3-2	Interest accretion on insurance acquisition cash flows (previously Q&A IFRS 17: B125-3)
D13 Primary financial statements	2.2.2.6-1	Premium waiver presentation in profit or loss (previously Q&A IFRS 17: 33-1)
D13 Primary financial statements	2.2.4-2	Presentation in the statement of comprehensive income of losses or reversals of losses from IFRS 17:67 (cedant accounting for reinsurer's default risk) (previously Q&A IFRS 17: 67-1)
D13 Primary financial statements	2.3.2.2-1	Recognition of experience adjustments in other comprehensive income when applying the disaggregated presentation option (previously Q&A IFRS 17: B130-1)
D13 Primary financial statements	2.3.2.7-1A	Changes in the fair value of underlying items applying the variable fee approach – disaggregating insurance finance income and expenses (previously Q&A IFRS 17: 89-1)
D14 Disclosure	2.1-2	Disclosure of changes in loss components when experience adjustments arise from premiums received (previously Q&A IFRS 17: 103-1)
D14 Disclosure	2.3-2	Measuring and disclosing the effect of new business (contracts initial recognised during the period) in an entity's annual financial statements (previously Q&A IFRS 17: 104-1)
D15 Effective date and transition	6.4-1	Consideration of the liability for incurred claims when determining the CSM or loss component for a group of insurance contracts at transition date using the fair value approach (previously Q&A IFRS 17: C20-2)
D15 Effective date and transition	6.4-2	Fair value of insurance contracts on transition to IFRS 17 – reflection of non-performance risk (previously Q&A IFRS 17: C20-3)
D15 Effective date and transition	6.5-1	Insurance acquisition cash flows incurred before the transition date when the fair value approach is applied (previously Q&A IFRS 17: C20-1)

Amended Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A21 Statement of financial position	9.4-1	Balances not available for use by the group

Deloitte IFRS communications and publications

Issuance Date	Description
05 July 2022	IFRS on Point—June 2022

Comment letters

	Description	Receiving party	Comment letter submitted/deadline
Comment letters submitted	Exposure Draft: ED/2022/S1 General Requirements for Disclosure of Sustainability-related Financial Information	ISSB	20/07/2022
	Exposure Draft: ED/2022/S2 Climate-related Disclosures	ISSB	20/07/2022
Comment letters pending	Tentative Agenda Decision: Multi-currency Groups of Insurance Contracts (IFRS 17 and IAS 21)	IFRIC	19/08/2022
	Staff Request for Feedback on the staff draft of the IFRS Sustainability Disclosure Taxonomy	ISSB	30/09/2022

Effective dates

Click **here** for upcoming and recent effective dates.

The Deloitte Accounting Research Tool (DART) is a comprehensive online library of accounting and financial disclosures literature. **iGAAP on DART** allows access to the IFRS Standards, linking to and from:

- Deloitte's authoritative, up-to-date iGAAP manuals which provide guidance for reporting under IFRS Standards
- Model financial statements for entities reporting under IFRS Standards

In addition, our **Beyond the numbers** volume of iGAAP provides guidance on disclosure requirements and recommendations which businesses must consider in light of the broader environmental, social and governance matters which can significantly drive the value of an entity.

To apply for a subscription to iGAAP on DART, click **here** to start the application process and select the iGAAP package.

For more information about iGAAP on DART, including pricing of the subscription packages, click **here**.

Key contacts

Global IFRS and Corporate Reporting Leader

Veronica Poole

ifrsglobalofficeuk@deloitte.co.uk

IFRS Centres of Excellence

Americas		
<i>Argentina</i>	Fernando Lattuca	arifrscoe@deloitte.com
<i>Canada</i>	Karen Higgins	ifrsca@deloitte.ca
<i>Mexico</i>	Miguel Millan	mx_ifrs_coe@deloittemx.com
<i>United States</i>	Magnus Orrell	iasplus-us@deloitte.com
	Ignacio Perez	iasplus-us@deloitte.com
Asia-Pacific		
	Shinya Iwasaki	ifrs-ap@deloitte.com
<i>Australia</i>	Anna Crawford	ifrs@deloitte.com.au
<i>China</i>	Gordon Lee	ifrs@deloitte.com.cn
<i>Japan</i>	Kazuaki Furuuchi	ifrs@tohatsu.co.jp
<i>Singapore</i>	Lin Leng Soh	ifrs-sg@deloitte.com
Europe-Africa		
<i>Belgium</i>	Thomas Carlier	ifrs-belgium@deloitte.com
<i>Denmark</i>	Søren Nielsen	ifrs@deloitte.dk
<i>France</i>	Laurence Rivat	ifrs@deloitte.fr
<i>Germany</i>	Jens Berger	ifrs@deloitte.de
<i>Italy</i>	Massimiliano Semprini	ifrs-it@deloitte.it
<i>Luxembourg</i>	Martin Flaunet	ifrs@deloitte.lu
<i>Netherlands</i>	Ralph Ter Hoeven	ifrs@deloitte.nl
<i>South Africa</i>	Nita Ranchod	ifrs@deloitte.co.za
<i>Spain</i>	Jose Luis Daroca	ifrs@deloitte.es
<i>Switzerland</i>	Nadine Kusche	ifrsdesk@deloitte.ch
<i>United Kingdom</i>	Elizabeth Chrispin	deloitteifrs@deloitte.co.uk



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte's more than 345,000 people worldwide make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organisation") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2022. For information, contact Deloitte Global.

Designed by Deloitte CoRe Creative Services. RITM1112379