



## IFRS on Point

### Financial and Sustainability Reporting Developments and Information from February 2023

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#### International Headlines

##### IASB meeting (February 2023)

The International Accounting Standards Board (IASB) met on 20-23 February 2023. The following topics were discussed:

- Dynamic Risk Management
- Financial Instruments with Characteristics of Equity
- Rate-regulated Activities
- Business Combinations—Disclosures, Goodwill and Impairment
- Post-implementation Review of IFRS 9—Impairment
- Supplier Finance Arrangements
- Lack of Exchangeability
- Annual Improvements to IFRS Accounting Standards

Please click to access the following:

- **IASB Update** and **post-meeting podcast** on the IFRS Foundation website
- **Meeting page** with links to the agenda, agenda papers and recordings of the meeting on the IFRS Foundation website
- **Work plan analysis** on IAS Plus
- **Detailed meeting summaries** taken by Deloitte observers on IAS Plus

##### ISSB meeting (February 2023)

The International Sustainability Standards Board (ISSB) met on 16 February 2023. The following topics were discussed:

- Sources of guidance to identify sustainability-related risks and opportunities, and disclosures
- Effective date of IFRS S1 and IFRS S2
- Due process and permission to ballot

Please click to access the following:

- **ISSB Update** and **post-meeting podcast** on the IFRS Foundation website
- **Meeting page** with links to the agenda, agenda papers and recordings of the meeting on the IFRS Foundation website
- **Detailed meeting summaries** taken by Deloitte observers on IAS Plus

For more information please see the following websites:

[www.iasplus.com](http://www.iasplus.com)

[www.deloitte.com](http://www.deloitte.com)

### **IFRS Advisory Council meeting (February 2023)**

The IFRS Advisory Council met on 22 February 2023 to discuss updates on the ISSB's activities. In particular, the Advisory Council discussed the milestones since the last update, the projects in the ISSB's work plan, and updates on IFRS S1 and IFRS S2.

Please click to access the **meeting page** with links to the agenda, agenda papers and recordings of the meeting on the IFRS Foundation website.

### **ITCG meeting (February 2023)**

The IFRS Taxonomy Consultative Group (ITCG) met on 27-28 February 2023. The following topics were discussed:

- IASB digital financial reporting strategy
- Primary Financial Statements
- IFRS Accounting Taxonomy Update
- IFRS Sustainability Disclosure Taxonomy
- Review of common reporting practice

Please click to access the **meeting page** with links to the agenda, agenda papers and recordings of the meeting on the IFRS Foundation website.

### **Summary of the December 2022 ASAF meeting**

The IFRS Foundation has published a summary of the Accounting Standards Advisory Forum (ASAF) meeting held on 8-9 December 2022.

The following topics were discussed:

- Primary Financial Statements
- Accounting for Variable Consideration
- Post-implementation Review of IFRS 15
- Business Combinations under Common Control
- Provisions—Discount Rates
- Equity Method

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

### **Summary of the December 2022 ISSB Jurisdictional Working Group meeting**

The IFRS Foundation has published a summary of the ISSB Jurisdictional Working Group meeting held on 12 December 2022.

During the meeting, participants offered comments on the papers to be discussed at the December ISSB meeting with a special focus on the proposed relief for companies in reporting their Scope 3 greenhouse gas emissions and on the consultation on agenda priorities. In addition, the participants also discussed the ongoing role of the Jurisdictional Working Group moving into 2023.

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

### **Recording of the fireside chat featuring the IASB Chair and the FASB Chair**

In November 2022, the IASB, the US Financial Accounting Standards Board (FASB), and *The Accounting Review* hosted an academic conference titled *Accounting for an ever-changing world*. As part of the conference, Mary Barth, Vice-Chair of the US Financial Accounting Foundation, hosted a fireside chat with IASB Chair Andreas Barckow and FASB Chair Rich Jones.

Please click to access the **recording** of the fireside chat on the Brightcove website.

### **ISSB webinar series**

In January and February 2023, the ISSB offered a series of three webinars that showed how companies can start the groundwork, data gathering and processes for reporting under the ISSB's standards by using tools already widely available for businesses and investors.

The webinars are:

- Part 1: Better information for better decisions—Introduction to investor-focused sustainability disclosure
- Part 2: Any size or stage—Getting started on climate disclosure
- Part 3: Connectivity and controls—The path to investor-grade disclosure

Please click to access **the webinar recordings and supporting slides** on the IFRS Foundation website.

### **GPF seeks members**

The Global Preparers Forum (GPF) is seeking new members with an emphasis for candidates based in emerging economies, North America, and South America with experience in the technology and/or media sectors.

The closing date for applications is 31 March 2023. New members will start on 1 June 2023 for a term lasting between two to five years.

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

### **IOSCO, IESBA, IAASB and FSB comment on progress on ISSB standards**

The International Organization for Securities Commissions (IOSCO) has released a statement welcoming the ISSB's decision to enter into the finalisation phase of its inaugural corporate sustainability reporting standards.

In a joint statement, the International Ethics Standards Board for Accountants (IESBA) and the International Auditing and Assurance Standards Board (IAASB) echoed IOSCO's statement of support and express appreciation for IOSCO's encouragement for the IESBA and IAASB work to develop standards by the end of 2024.

In addition, in a letter to the G20 Finance Ministers and Central Bank Governors, the Financial Stability Board (FSB) calls the finalisation of the ISSB's standards in the first half of this year a 'pivotal goal' in addressing climate-related financial risks.

Please click to access the following:

- **IOSCO statement** on the IOSCO website
- **IESBA and IAASB joint statement** on the IAASB website
- **FSB letter** on the FSB website

### **G20 Finance Ministers and Central Bank Governors' statement notes ISSB progress**

The G20 has published a meeting summary of the First G20 Finance Ministers and Central Bank Governors meeting held in Bangalore on 24-25 February 2023.

The statement takes note of the progress made by the ISSB and also notes a progress report that is expected later this year.

Please click to access the **statement** on the G20 website.

### **EFRAG conference "Where is Corporate Reporting heading?"—Report and recordings**

In December 2022, EFRAG hosted a conference to debate the new trends in corporate reporting following the Environmental, Social and Governance (ESG) revolution and the connectivity with financial reporting.

High-level speakers from the financial and sustainability reporting sectors provided their views and shared thoughts during three panel discussions on major topics:

- Connectivity: Financial and sustainability in corporate reporting
- Financial Reporting: Challenges ahead
- Sustainability Reporting: Trendsetting the future of corporate reporting

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

### **Change to the composition of the EFRAG FR TEG**

EFRAG has announced the new composition of its Financial Reporting Technical Expert Group (FR TEG).

Deloitte Partner Jens Berger, head of Deloitte Germany's IFRS and Corporate Reporting Centre of Excellence, has been appointed as acting EFRAG FR TEG Chair.

Please click to access the **announcement** on the EFRAG website.

## Japanese FSA hosts International Conference on Sustainability Disclosure

The Japanese Financial Services Agency (FSA) hosted an International Conference on Sustainability Disclosure in Tokyo on 3 March 2023.

The following topics were on the agenda:

- Approaches for developing sustainability disclosure frameworks
- Path to global baseline: current progress and looking ahead
- Expectation for the next standard-setting agenda

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

## IPSASB event on public sector sustainability reporting

On 4 April 2023, the International Public Sector Accounting Standards Board (IPSASB), the International Federation of Accountants (IFAC), and Accountancy Europe will host an event titled *Equipping the Public Sector for Sustainability Action: Advancing transparency, comparability, and accountability with sustainability reporting* in Brussels.

The event will feature an interactive discussion around key ideas the IPSASB is exploring related to the development of sustainability standards and the resources necessary to deliver the urgently needed public sector reporting guidance.

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

## Updates to Deloitte iGAAP manual

Available at [dart.deloitte.com/iGAAP](https://dart.deloitte.com/iGAAP) [on subscription only].

### Added Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A9 Intangible assets	<b>4.3.1-1</b>	Accounting for subsequent expenditure on internally generated assets – example
A11 Inventories	<b>3.3.2-2</b>	Determining the costs to sell inventory which are additional to incremental costs
A14 Revenue from contracts with customers	<b>3.6.5.5-1</b>	Software reseller
A14 Revenue from contracts with customers	<b>5.1.2-2</b>	Assessment of whether a contract exists during a renegotiation period – example
A14 Revenue from contracts with customers	<b>7.8-1</b>	Determination of the transaction price – tax amounts
A14 Revenue from contracts with customers	<b>7.8-2</b>	Determination of the transaction price – severance tax – example
A14 Revenue from contracts with customers	<b>8.5.2-3</b>	Allocating fixed and variable consideration to a series of distinct services
A14 Revenue from contracts with customers	<b>8.9-1</b>	Allocating fixed consideration to a series of distinct services – example
A16 Share-based payment	<b>2.8.8-1</b>	Acquisition of a listed entity which does not meet the definition of a business
A17 Leases	<b>11.1.1.2-2</b>	Assessing whether the rate implicit in the lease is readily determinable for a sublease
A17 Leases	<b>11.2.8-1A</b>	Lessor forgiveness of lease payments

A19 The effects of changes in foreign exchange rates	<b>3.4.1-2</b>	Contract assets and contract liabilities as monetary or non-monetary items
A27 Joint arrangements	<b>4.3.4-2</b>	Investors have unilateral ability to direct different relevant activities that occur sequentially
A31 Earnings per share	<b>5.8-1B</b>	Application of the reverse treasury stock method to contracts that are out of the money
A31 Earnings per share	<b>5A-1</b>	Calculation of basic and diluted EPS with ordinary shares subject to forward purchase contracts or written put options – example
A36 Government grants	<b>4.1-1</b>	Timing of recognition of a forgivable loan
A36 Government grants	<b>4.3-1</b>	Modification of a government loan
B1 Scope	<b>2.3.3-3</b>	Intragroup financial guarantee contract upon adoption of IFRS 17 – example
B9 Hedge Accounting	<b>5.1.1.2-1</b>	Proxy hedging – example
B6 Measurement	<b>5.3-6</b>	Expected forgiveness of payments as part of cash shortfalls

#### Amended Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A12 Provisions, contingent liabilities and contingent assets	<b>3.5.3-2</b>	Obligation to offset CO <sub>2</sub> e emissions
A15 Employee benefits	<b>7.5.3.3-1</b>	Settlement of defined benefit plan with an unrecognised surplus – example
A17 Leases	<b>11.2.8-1B</b>	Lessor forgiveness of lease payments – example
A31 Earnings per share	<b>3.2.2-1</b>	Derivatives over own equity
A31 Earnings per share	<b>4.4-1</b>	Forward purchase contracts and written put options
A31 Earnings per share	<b>5.8-1A</b>	Forward purchase contracts and written put options
B1 Scope	<b>2.3.3-2</b>	Option to account for financial guarantee contract under IFRS 9 or IFRS 17

## Deloitte IFRS communications and publications

Issuance Date	Description
02 February 2023	<b>IFRS on Point—January 2023</b>
23 February 2023	<b>iGAAP in Focus—European sustainability reporting — Worldwide reach of the Corporate Sustainability Reporting Directive - final text published in Official Journal</b>

## Comment letters

	Description	Receiving party	Comment letter submitted/ deadline
Comment letters submitted	<b>Tentative Agenda Decision: Definition of a Lease— Substitution Rights (IFRS 16)</b>	IFRS IC	06/02/2023
	<b>IASB/ED/2022/1—Third edition of the IFRS for SMEs Accounting Standard</b>	IASB	07/03/2023
Comment letters pending	<b>IASB/ED/2023/1—International Tax Reform—Pillar Two Model Rules</b>	IASB	10/03/2023

## 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 **sustainability reporting** volume of iGAAP provides guidance on disclosure requirements and recommendations which businesses must consider in light of the broader sustainability 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](#).

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