



## Accounting roundup

January 2022

### Contents

#### Recent developments:

- [IFRS](#)
- [UK GAAP](#)
- [Corporate Governance](#)
- [Sustainability, climate and integrated reporting](#)
- [Other](#)

#### Other tools and resources:

- [Deloitte publications and recordings](#)
- [Deloitte comment letters](#)
- [New and revised pronouncements for 31 December 2021 year-ends](#)



### Recent developments

#### IFRS

#### EU endorsement:

[The European Union adopts IFRS 17 Insurance Contracts with annual cohort exemption](#)

**Note:** Endorsement of IFRS Standards by the EU has not applied in the UK since the end of the transition period following the UK's withdrawal from the EU (31 December 2020). The UK Endorsement Board (UKEB) is now responsible for endorsing IFRS Standards for use in the UK which all UK companies that are required or choose to apply IFRS Standards must apply. However, because UK-endorsed IFRS Standards have not been granted equivalence to EU-endorsed IFRS Standards by the EU, UK companies that are listed in the EEA may need to state compliance with both EU-endorsed and UK-endorsed IFRS Standards. Alternatively, they may state compliance with both UK-endorsed IFRS Standards and IFRS Standards as issued by the IASB, if this is permitted by the relevant listing authority.

## Recent developments (continued)

### Amendments:

[The International Accounting Standards Board \(IASB\) finalises a narrow-scope amendment to IFRS 17](#)

### Exposure drafts published:

[The IASB proposes amendments to IAS 1 \*Presentation of Financial Statements\* regarding the classification of debt with covenants](#)  
[The IASB proposes amendments to IAS 7 \*Statement of Cash Flows\* and IFRS 7 \*Financial Instruments: Disclosures\* regarding supplier finance arrangements](#)

Click [here](#) for the latest IASB work plan.

### Meeting minutes and further information:

[October](#), [November](#) and [December](#) IASB meetings

[November](#) IFRSIC meeting

## UK GAAP

### Amendments:

[The Consultative Committee of Accountancy Bodies \(CCAB\) issues a revised Statement of Recommended Practice \(SORP\) for Limited Liability Partnerships](#)

### Exposure drafts published:

[The Financial Reporting Council \(FRC\) publishes Financial Reporting Exposure Draft 79 '\*FRS 101 Reduced Disclosure Framework – 2021/22 cycle\*' \(FRED 79\)](#)

## Corporate Governance

[The FRC publishes its latest review of corporate governance reporting](#)

[The FRC publishes a report on effective stewardship reporting](#)

[The FRC publishes a report on the opportunities and challenges of creating positive culture](#)

[The Investment Association publishes its updated Principles of Remuneration](#)

[The Cranfield School of Management publishes a report highlighting further progress in the numbers of women on corporate boards](#)

## Sustainability, climate and integrated reporting

### Global developments

[The IFRS Foundation announces the creation of its new International Sustainability Standards Board \(ISSB\)](#)

[The IFRS Foundation releases a climate-related disclosures prototype regarding the first thematic standard of the ISSB](#)

[The IFRS Foundation releases a general requirements' prototype regarding the general presentation standard of the ISSB](#)

[Regulations to improve climate-related reporting for occupational pension schemes come in force](#)

[The IFRS Foundation publishes a webcast on the Technical Readiness Working Group \(TRWG\)](#)

[The TRWG provides recommendations to the ISSB](#)

[The Task Force on Climate-related Financial Disclosures \(TCFD\) publishes a status report](#)

[The International Federation of Accountants \(IFAC\) publishes its vision for high-quality assurance of sustainability information, following the establishment of the ISSB](#)

[The industry-led Impact Taskforce \(ITF\) publishes its final report, calling for support for the ISSB](#)

[The G20 supports the IFRS Foundation's sustainable standard-setting](#)

[The International Valuation Standards Council \(IVSC\) publishes a third perspectives paper on Environmental, Social and Governance \(ESG\) and business valuation](#)

## Recent developments (continued)

### UK developments

[The UK Government finalises the legislation on climate-related financial disclosures](#)

[The UK Government publishes a roadmap setting out details on new sustainability disclosure requirements](#)

[The UK Government publishes a factsheet around the UK becoming the world's first Net Zero-aligned Financial Centre](#)

[The Financial Conduct Authority \(FCA\) publishes new climate-related disclosure rules for listed companies and certain regulated firms](#)

[The FCA publishes a Discussion Paper on Sustainability Disclosure Requirements](#)

[The FCA emphasises the importance of compliance with the new TCFD Listing Rule](#)

[The FCA, Prudential Regulation Authority \(PRA\), The Pensions Regulator \(TPR\) and the FRC issue a joint statement on the publication of their Climate Change Adaptation Reports](#)

[The FRC Lab publishes a report on better practice TCFD reporting](#)

[The FRC publishes a staff factsheet on climate-related matters for FRS 102 reporters](#)

[The Pensions Research Accountants Group \(PRAG\) publishes guidance on TCFD disclosures for occupational pension schemes](#)

[The Climate Financial Risk Forum publishes its second set of guides to help the financial industry to address climate-related financial risks](#)

### EU developments

[The European Union is asked to follow a global baseline approach to ESG reporting](#)

[The European Lab publishes a report on the business model, sustainability risks and opportunities](#)

[Responses to the European Financial Reporting Advisory Group \(EFRAG\) consultation on the due process for EU sustainability reporting standard-setting are available.](#)

## Recent developments (continued)

### Other

#### EFRAG

[EFRAG issues its draft comment letter on the IASB's Exposure Draft ED/2021/10 'Supplier Finance Arrangements'](#)

[EFRAG issues its final comment letter on the IFRS Practice Statement Exposure Draft ED/2021/6 'Management Commentary'](#)

[EFRAG issues its final endorsement advice on 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction \(Amendments to IAS 12\) \(the Amendments\)'](#)

[EFRAG issues its feedback statement on the International Accounting Standard Board's \(IASB's\) Discussion Paper DP/2020/2 'Business Combinations under Common Control'](#)

[EFRAG issues its feedback statement on the International Accounting Standards Board's \(IASB's\) Exposure Draft ED 2021/8 – 'Initial Application of IFRS 17 and IFRS 9- Comparative Information \(Proposed amendment to IFRS 17\)'](#)

[EFRAG issues its draft comment letter the IASB's request for information on the post-implementation review of IFRS 9 Financial Instruments](#)

[EFRAG publishes a report outlining the results of its field testing on the IASB's Exposure Draft ED/2021/3 'Disclosure Requirements in IFRS Standards — A Pilot Approach'](#)

[EFRAG issues a briefing paper on the proposed new reduced disclosure IFRS](#)

[EFRAG issues its feedback statement on the IASB's Exposure Draft ED 2021/04 – 'Lack of Exchangeability'](#)

[EFRAG issues its final comment letter on the IASB's agenda consultation](#)

[EFRAG issues its final comment letter on the IASB's Exposure Draft ED/2021/8 'Initial Application of IFRS 17 and IFRS 9 — Comparative Information \(Proposed amendment to IFRS 17\)'](#)

[EFRAG issues its final comment letter on the IASB's discussion paper DP/2020/2 'Business Combinations under Common Control'](#)

[EFRAG issues its feedback statement on the IASB's Exposure Draft ED/2021/1 'Regulatory Assets and Regulatory Liabilities'](#)

[EFRAG issues its draft comment letter on the IASB's Exposure Draft ED/2021/7 'Subsidiaries without Public Accountability: Disclosures'](#)

#### European Securities and Markets Authority (ESMA)

[ESMA announces its enforcement priorities for 2021 financial statements](#)

[ESMA publishes a report on the application of IFRS 7 and IFRS 9 requirements for banks' expected credit losses](#)

[ESMA integrates the latest IFRS updates in its European Single Electronic Format \(ESEF\) taxonomy](#)

#### FRC

[The FRC announces its thematic review and priority sectors for 2022/23](#)

[The FRC publishes its draft 3-year Plan and Budget for 2022-25](#)

[The FRC publishes its Annual Review of Corporate Reporting 2020/2021](#)

[The FRC publishes its thematic review findings on IAS 37 Provisions, Contingent Liabilities and Contingent Assets](#)

[The FRC publishes its thematic review findings on Alternative Performance Measures \(APMs\)](#)

[The FRC issues its 2022 suite of Taxonomies](#)

[The FRC Lab publishes survey results and resources on UK Electronic Reporting](#)

[The FRC and the FCA issue joint letters to Chief Executive Officers \(CEOs\) of companies on structured reporting](#)

#### IASB

[The IASB publishes its updated work plan](#)

[The IASB issues a podcast on the latest Board developments \(December 2021\)](#)

[The IASB Chair discusses the future for IFRS Accounting Standards](#)

[An IASB member provides an update on the IASB's extractive activities project](#)

[The IFRS Foundation publishes the fifth compilation of IFRS Interpretations Committee agenda decisions](#)

## Recent developments (continued)

### Public Sector

[HM Treasury issues a new financial reporting manual \(FReM\)](#)

[The International Public Sector Accounting Standards Board \(IPSASB\) releases guidance on borrowing costs](#)

[The IPSASB releases an updated IPSAS-IFRS alignment dashboard](#)

[The Regulator of Social Housing \(RSH\) publishes updated Accounting Direction for social housing providers](#)

[The Institute of Chartered Accountants in England and Wales \(ICAEW\) publishes final part of series of reviews of major standards looking at the differences between IFRS and IPSASB](#)

### UK Endorsement Board

[The UK Endorsement Board publishes its 2022/23 Regulatory Strategy for consultation](#)

[The UK Endorsement Board publishes its response to the IASB on potential changes to the subsequent accounting for goodwill](#)

[The UK Endorsement Board publishes its final comment letter on the IASB's Exposure Draft ED/2021/3 '\*Disclosure Requirements in IFRS Standards – A Pilot Approach\*'](#)

[The UK Endorsement Board publishes its draft comment letter in response to the IASB's Request for Information on its Post-implementation Review of IFRS 9 '\*Financial Instruments - Classification and Measurement\*'](#)

[The UK Endorsement Board publishes its draft comment letter on the IASB's Exposure Draft ED/2021/7 '\*Subsidiaries without Public Accountability: Disclosures\*'](#)

[The UK Endorsement Board publishes a draft UK Endorsement Criteria Assessment on IFRS 17](#)

[The UK Endorsement Board publishes a draft UK Endorsement Criteria Assessment on a set of six amendments to International Accounting Standards published by the IASB in May 2020 \(the '\*May 2020 Amendments\*'\)](#)

## Other tools and resources



### Deloitte publications and recordings

#### Need to know

Designed for financial controllers, chief accountants, and accounting technicians:

[IASB amends the transition requirements of IFRS 17](#)

[UK Government publishes Greening Finance: A Roadmap to Sustainable Investing](#)

[IASB proposes amendments to IAS 7 and IFRS 7 to address supplier finance arrangements](#)

[IASB proposes amendments to IAS 1 regarding the classification of liabilities with covenants](#)

[IASB seeks views on the post-implementation review of the IFRS 9 classification and measurement requirements](#)

#### Purpose-driven Business Reporting in Focus

Aimed at preparers of corporate reports, as well as their users and auditors, this publication provides updates on developments in purpose-driven business practices that are impacting corporate reporting, including progress towards sustainability standards:

[IFRS Foundation creates new board to set global sustainability standards](#)

#### Governance in brief

A summary of the latest corporate governance developments:

[FRC issues advice on annual reports for 2021/22 reporting season](#)

#### Governance in focus

Guidance and views on key aspects of the latest developments in corporate governance:

[On the board agenda 2022](#)

#### Other publications

[Accounting roundup — Closing Out 2021](#)-Closing Out 2021 discusses the principal corporate reporting issues arising in respect of 31 December 2021 annual reports, covering areas of regulatory focus identified in the FRC's Annual Review of Corporate Reporting 2020/2021, issues arising from climate change including new and forthcoming climate-related disclosures and developments in reporting standards.

[Stay Tuned Online - December 2021](#)-Stay Tuned Online is an online corporate reporting update, aimed at helping finance teams keep up to speed with narrative, governance and financial reporting issues. Each update lasts about an hour.

[Annual report insights 2021 — Surveying FTSE reporting](#)-Business leaders and investors recognise that the context in which businesses now operate has been transformed by climate change, nature loss, social unrest around inclusion and working conditions, exacerbated by the global pandemic. The growing awareness of both the relationship between purpose and profit and the expectation that companies deliver sustained value to a range of stakeholders is redefining the social contract between business and society. Boards increasingly recognise that transparency and accountability are essential to enhance trust in the way they are translating their purpose into action. Authentic reporting is key to maintain this trust and to communicate the company's own story. We have surveyed 50 companies with more than 500 employees from among the FTSE 350 and across industry groups, examining reporting trends in five areas: purpose, people, planet, prosperity, and of course a fifth "P" that has been greatly affecting business - the pandemic.

[IFRS model financial statements 2021](#)-The model financial statements are intended to illustrate the presentation and disclosure requirements of IFRSs without the use of any actual numbers. They also contain additional disclosures that are considered to be best practice, particularly where such disclosures are included in illustrative examples provided within a specific Standard.

#### Insurance webcasts

[Insurance webcast 87 — Accounting for premium repayments](#)

[Insurance webcast 86 — Contract boundary assessment for reinsurance contracts](#)

## Other tools and resources (continued)



### Deloitte comment letters

#### IFRS

[Proposed disclosure requirements in IFRS Standards](#)

[The IASB's Management Commentary proposal](#)

[Tentative agenda decision on cash received via electronic transfer as settlement of a financial asset](#)

[Tentative agenda decision on demand deposits with restriction of use](#)

#### UK GAAP

[The periodic review of FRS 102](#)

Further comment letters, including responses to IFRSIC tentative agenda decisions, can be found by clicking [here](#).

## Other tools and resources (continued)



## New and revised pronouncements for 31 December 2021 year-ends

The table below provides a summary of pronouncements that will be newly effective for those with 31 December 2021 year-ends.

## IFRS

Pronouncement	Newly effective for those reporting under IFRS Standards as issued by the IASB	Newly effective for those reporting under IFRS Standards as endorsed by the UK/EU*
<b>Amendments</b>		
<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)</i>	Optional #	Optional #
<i>Covid-19-Related Rent Concessions (Amendment to IFRS 16)</i>	Yes	Yes
<i>Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)</i>	Yes	Yes

# The application of both approaches (overlay approach/ deferral approach) is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

\* Endorsement of IFRS Standards by the EU has not applied in the UK since the end of the transition period following the UK's withdrawal from the EU (31 December 2020). The UK Endorsement Board (UKEB) is now responsible for endorsing IFRS Standards for use in the UK which all UK companies that are required or choose to apply IFRS Standards must apply. However, because UK-endorsed IFRS Standards have not been granted equivalence to EU-endorsed IFRS Standards by the EU, UK companies that are listed in the EEA may need to state compliance with both EU-endorsed and UK-endorsed IFRS Standards. Alternatively, they may state compliance with both UK-endorsed IFRS Standards and IFRS Standards as issued by the IASB, if this is permitted by the relevant listing authority.

The latest UK endorsement status can be found [here](#) and the EU endorsement status can be found [here](#).



## Other tools and resources (continued)

### UK GAAP

Amendments to FRS 102 have been made in relation to [the second phase of the interest rate benchmark reform](#) and also in relation to accounting for [temporary rent concessions for operating leases](#) occurring as a direct consequence of the COVID-19 pandemic extending beyond 30 June 2021 (for which an amendment was also made to FRS 105).

[Amendments](#) to FRS 101, FRS 102, FRS 104 and FRS 105 have also been issued to reflect changes in company law following the UK's exit from the European Union that came into effect at the end of the Transition Period.

Minor amendments were also made to FRS 101 as a result of the [2020/21 annual review of FRS 10](#).

Click [here](#) to see the UK GAAP options available for financial reporting periods ending on 31 December 2021.

### Other regulatory requirements

- Compliance with the new Listing Rule 9.8.6(8)R which requires commercial companies with a UK premium listing (including sovereign-controlled commercial companies but excluding open-ended and closed-ended investment companies) to include a statement in their annual financial report setting out:
  - Whether they have made disclosures consistent with the Task Force on Climate-Related Financial Disclosures (TCFD's) recommendations and recommended disclosures in their annual financial report.
  - Where they have not made disclosures consistent with some or all of the TCFD's recommendations and/or recommended disclosures, an explanation of why, and a description of any steps they are taking or plan to take to be able to make consistent disclosures in the future – including relevant timeframes for being able to make those disclosures.
  - Where they have included some, or all, of their disclosures in a document other than their annual financial report, an explanation of why.
  - Where in their annual report (or other relevant document) the various disclosures can be found.

The new rule is effective for accounting periods beginning on or after 1 January 2021.

Further information is available [here](#).

- Compliance with DTR 4.1.14 which requires companies on a regulated market to publish annual reports in XHTML format. There is also a requirement for issuers who prepare consolidated annual financial statements in accordance with International Financial Reporting Standards (IFRS) to tag basic financial information. Both requirements apply for accounting periods beginning on or after 1 January 2021. The requirement for issuers who prepare IFRS consolidated annual financial statements to tag notes to the financial statements will apply to financial years starting on or after 1 January 2022.

Further information is available [here](#).



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