



Accounting Roundup

July 2020

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COVID-19



The ongoing COVID-19 pandemic continues to have a significant impact on corporate reporting. Below we list recent news items and resources for the last quarter which highlight some of the key accounting and reporting considerations and other guidance issued in light of COVID-19. For COVID-19 related news and resources that were issued prior to April 2020, please refer to Deloitte's [Accounting Roundup - April 2020](#).

COVID-19 (continued)

COVID-19 news

The Financial Reporting Council (FRC)

[The FRC updates its COVID-19 guidance for companies to include reporting of exceptional items and Alternative Performance Measures \(APMs\)](#)

[The FRC publishes thematic review findings on financial reporting effects of COVID-19](#)

[The FRC updates its COVID-19 guidance for companies to include going concern considerations for interim reporters](#)

[The FRC Lab reports on current questions investors seek answers on in light of COVID-19](#)

[The FRC issues Q&A on company filing, AGMs and other general meetings during COVID-19](#)

The International Accounting Standards Board (IASB)

[The IASB publishes COVID-19 guidance on IFRS 16 *Leases*](#)

Financial Market Regulators

[The London Stock Exchange announces temporary extension for the publication of half-yearly reports for AIM companies](#)

[The Financial Conduct Authority \(FCA\) extends the reporting deadline for interim reporting](#)

[The Prudential Regulation Authority \(PRA\) publishes guidance on the application of IFRS 9 *Financial Instruments* for payment deferrals offered due to COVID-19](#)

[The European Securities and Markets Authority \(ESMA\) issues statement on the implications of COVID-19 on the half-yearly financial reports](#)

[ESMA expands Q&A document on the implementation of its APM guidance](#)

[ESMA issues statement on supervisory coordination regarding accounting for COVID-19-related rent concessions](#)

[The International Organization of Securities Commissions \(IOSCO\) issues a statement on the importance of disclosure about COVID-19](#)

[IOSCO publishes a statement on the application of accounting standards during COVID-19](#)

Public Sector

[The Government introduces the Corporate Insolvency and Governance Bill in Parliament](#)

[HM Treasury sets minimum financial reporting requirements for 2019-20 in light of COVID-19](#)

[The International Public Sector Accounting Standards Board \(IPSASB\) publishes COVID-19 guidance](#)

[The IPSASB proposes to delay effective dates of recently published standards and amendments in light of COVID-19](#)

[Accountancy Europe releases podcast on the public sector and COVID-19](#)

[Accountancy Europe recommends actions for the public sector in the context of COVID-19](#)

Other news

[The European Financial Reporting Advisory Group \(EFRAG\) issues final endorsement advice on IFRS16 *Leases* amendment swiftly](#)

[The Institute of Chartered Accountants in England and Wales \(ICAEW\) publishes guide to IFRS 9 and COVID-19](#)

[The ICAEW, the Institute of Chartered Accountants of Scotland \(ICAS\) and the Pensions Research Accountants Group \(PRAG\) publish joint COVID-19 guidance on pension scheme financial reports and audit](#)

[The ICAEW and ICAS produce guidance for SME businesses on going concern and COVID-19](#)

[The International Auditing and Assurance Standards Board \(IAASB\) releases COVID-19 related guidance on accounting estimates](#)

[The Accounting and Auditing Organisation for Islamic Financial Institutions \(AAOIFI\) issues a statement on COVID-19 accounting implications for Islamic financial institutions](#)

[Accountancy Europe releases podcast on corporate reporting and COVID-19 focusing on banks](#)

COVID-19 (continued)

COVID-19 Publications

Need to know

[COVID-19 and financial reporting under IFRS Standards](#)

[Accounting considerations related to COVID-19](#)

[The IASB finalises amendment to IFRS 16 'Leases' regarding COVID-19-related rent concessions](#)

[Expected credit loss accounting considerations related to COVID-19](#)

Accounting considerations in relation to COVID-19-webcasts and other publications

[Leases](#)

[Profit or loss statements](#)

[Going concern](#)

[IAS 34 — Interim financial reporting](#)

[Expected credit losses on financial assets](#)

[Employee benefits](#)

[Government assistance](#)

[IAS 36 — Impairment of assets](#)

[Covenants](#)

[IAS 37 and onerous contracts provisions](#)

[Events after the reporting period](#)

[Judgements and estimates](#)

[The latest board insights on COVID-19](#)



Other recent developments

IFRS

Amendments:

[The IASB defers the effective date of IAS 1 *Presentation of Financial Statements* amendments regarding the classification of liabilities](#)

[The IASB publishes narrow-scope amendments to IFRS 17 *Insurance Contracts* and IFRS 4 *Insurance Contracts*](#)

[The IASB publishes an amendment to IFRS 16 regarding COVID-19-related rent concessions](#)

[The IASB publishes amendments to IAS 16 *Property, Plant and Equipment* regarding proceeds before intended use of an asset](#)

[The IASB publishes amendments under its annual improvement project \(cycle 2018-2020\)](#)

[The IASB publishes amendments to IFRS 3 *Business Combinations* to update an outdated reference to the Conceptual Framework](#)

[The IASB finalises amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* regarding costs of fulfilling a contract to be considered for the assessment of an onerous contract](#)

Other recent developments (continued)

EU endorsement:

[The European Union formally adopts *Definition of a Business \(Amendments to IFRS 3\)*](#)

Exposure drafts published:

[The IASB publishes proposed amendments as a result of the second phase of its project on the IBOR reform](#)

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

Meeting minutes and further information:

[April](#), [April supplementary](#), [May](#), [May supplementary](#) and [June](#) IASB meetings

[April](#) and [June](#) IFRSIC meetings

UK GAAP

Amendments:

[The FRC makes amendments to FRS 101 *Reduced Disclosure Framework*](#)

Exposure drafts published:

[The FRC issues FRED 75 'Draft amendments to FRS 104 *Interim Financial Reporting - Going concern*' and FRED 76 'Draft amendments to FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and FRS 105 *The Financial Reporting Standard applicable to the Micro-entities Regime - COVID-19-related rent concessions*'](#)

[The FRC issues FRED 74 'Interest rate benchmark reform \(phase 2\)'](#)

Other

EFRAG

[EFRAG issues final endorsement advice on IFRS 4/IFRS 9 amendments](#)

[EFRAG to undertake preparatory work for possible EU non-financial reporting standards](#)

[EFRAG issues its draft comment letter on the IASB's discussion paper on goodwill and impairment](#)

[EFRAG publishes a feedback statement regarding the discussion paper on pension plans with an asset-return promise](#)

[EFRAG extends consultation period on its activities around the primary financial statements ED](#)

[EFRAG publishes a draft comment letter on the IBOR ED](#)

ESMA

[ESMA updates its European Single Electronic Format \(ESEF\) reporting manual](#)

[ESMA publishes an example of an annual financial report prepared in ESEF format](#)

FRC

[The FRC issues editorial updates to its 2018 Guidance on the Strategic Report](#)

IASB

[The IASB publishes its proposed IFRS Taxonomy update](#)

[The IASB issues a podcast on latest Board developments \(June 2020\)](#)

[The IASB publishes updated work plan](#)

[The IASB issues investor webcast on expected credit losses and related disclosures](#)

[The IASB Chair issues article around the reasons to uphold annual cohorts in IFRS 17](#)

[The IASB issues a podcast on IFRS 17 \(April 2020\)](#)

Other recent developments (continued)

ICAEW

[The ICAEW publishes a short introduction to the law on dividends](#)

Sustainability and integrated reporting

[Accountancy Europe publishes follow-up paper on interconnected standard-setting](#)

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

[The IPSASB develops a Q&A document on climate change](#)

[The IOSCO publishes a report on 'Sustainable Finance and the Role of Securities Regulators and IOSCO'](#)

[The European Commission \(EC\) launches consultation on renewed sustainable finance strategy](#)

[The International Integrated Reporting Council \(IIRC\) publishes consultation draft of its revised Framework](#)



Other tools and resources

Deloitte publications, interviews and recordings

A closer look

Detailed analysis and observations on specific corporate reporting requirements, designed for financial controllers and finance directors:

[Streamlined energy and carbon reporting](#)

Need to know

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

[The IASB defers effective date for 'Classification of Liabilities as Current or Non-current'](#)

[The IASB issues amendments to IFRS 17 'Insurance Contracts'](#)

[The IASB publishes package of narrow-scope amendments to IFRS Standards](#)

[The IASB proposes Interest Rate Benchmark Reform — Phase 2: Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16](#)

Other publications

[On the board agenda – half year 2020](#) - This half year update is a timely summary of some important areas for board focus as we enter the second half of 2020 and start to emerge from the unprecedented lockdown of our lives and our economy. Our first articles focus on interim reporting, for those with December year ends, and we have provided a summary of the new Corporate Insolvency and Governance Act 2020 which puts in place a series of measures to amend insolvency and company law to support business with certain challenges from the impact of COVID-19. Reminders are also provided on the areas of monitoring and review of the effectiveness of internal controls and responding to and reporting on the impacts of climate change.

[2020 update on half-yearly financial reporting](#) - This guide sets out the requirements for half-yearly financial reports and changes for preparers to contend with in 2020. It includes a section on 'interim reporting in 2020' which highlights the areas of consideration, arising from the COVID-19 pandemic, which are most likely to be relevant for half-yearly financial reports incorporating recent guidance from the FRC, ESMA and IOSCO. The guide also includes a model half-yearly financial report, including illustrative IAS 34 condensed financial statements and a disclosure checklist.

[Stay Tuned Online - IFRS and UK GAAP Update April 2020](#) - Stay Tuned Online is an online financial reporting update, aimed at helping finance teams keep up to speed with IFRS and UK financial reporting issues. Each update lasts about an hour.

[The new section 172\(1\) statement – observations from first reporters](#) - This survey presents a picture of how the first wave of December year-end reporters have approached the new section 172(1) statement. It examines emerging practices and provides

some example disclosures.

Other tools and resources (continued)



Insurance webcasts

[Insurance webcast 82 — The IASB publishes Amendments to IFRS 17 'Insurance Contracts'](#)

[Insurance webcast 81 — Useful sweep issues are approved with publication expected by end of June 2020](#)



Deloitte comment letters

IFRS

[The IASB's proposal to defer the effective date of recent IAS 1 amendments](#)

[The IASB's proposed amendments as a result of the second phase of its project on the IBOR reform](#)

[Tentative agenda decision on IAS 12 — Deferred tax related to an investment in a subsidiary](#)

[Tentative agenda decision on IFRS 16 — Sale and leaseback with variable payments](#)

Other

[EC public consultation on the revision of the non-financial reporting directive \(NFRD\)](#)

[The International Auditing and Assurance Standard's Board \(IAASB's\) proposal on extended external reporting](#)

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 30 June 2020 year-ends

The table below provides a summary of pronouncements that will be newly effective for those with 30 June 2020 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 EU
Standards		
IFRS 16 <i>Leases</i>	Yes	Yes
Interpretations		
IFRIC 23 <i>Uncertainty over income tax treatments</i>	Yes	Yes
Amendments		
<i>Annual Improvements 2015-2017 Cycle</i>	Yes	Yes
<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)</i>	Optional #	Optional #
<i>Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)</i>	Yes	Yes
<i>Prepayment Features with Negative Compensation (Amendments to IFRS 9)</i>	Yes	Yes
<i>Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)</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.

For those standards issued but not yet effective, the latest EU endorsement status can be found [here](#).

UK GAAP

The FRC made several changes to FRS 102 as part of its first triennial review of the Standard to deal with issues highlighted in its implementation. The amendments were published in [December 2017](#) and took effect for the first time for periods beginning on or after 1 January 2019. More recently, amendments to FRS 102 related to [multi-employer defined benefit plans](#) and [interest rate benchmark reform](#) have been issued. Minor amendments were also made as a result of the [2019/20 annual review of FRS 101](#).

Click [here](#) to see the UK GAAP options available for financial reporting periods ending on 30 June 2020.

Other tools and resources (continued)

Other regulatory requirements

- Compliance with *The Companies (Miscellaneous Reporting) Regulations 2018* including s172 reporting, the requirement for very large private companies and unlisted public companies to disclose their corporate governance arrangements within their directors' report and changes to the directors' remuneration report for quoted and UK registered companies with more than 250 employees. For more information click [here](#).
- Compliance with *The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018*. The Regulations, effective for financial periods beginning on or after 1 April 2019, broaden the greenhouse gas reporting and energy efficiency disclosure requirements for quoted companies and extend the reporting requirement to large UK incorporated unquoted companies and LLPs with at least 250 employees or annual turnover greater than £36m and balance sheet total (gross assets) greater than £18m. For more information click [here](#).
- FRC Revised Guidance on the Strategic Report. Further information is available [here](#).
- Compliance with *The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019*. These regulations introduce changes to remuneration reporting for periods commencing on or after 10 June 2019 and include, in particular, a new requirement for quoted and traded companies to present, in the directors' remuneration report, a table setting out the percentage change in remuneration for all directors as compared to that of employees. Further information is available [here](#).
- Compliance with the 2018 UK Corporate Governance Code for companies with a premium listing. Further information is available [here](#).



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