



Accounting roundup July 2021

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Recent developments

IFRS

Amendments to Standards:

[The International Accounting Standards Board \(IASB\) publishes amendments to IAS 12 *Income Taxes* related to assets and liabilities arising from a single transaction](#)

UK endorsement:

[The UK adopts IFRS amendments for COVID-19-related rent concessions beyond 30 June 2021](#)

Recent developments (continued)

EU endorsement:

[The European Union formally adopts four pronouncements issued by the IASB in May 2020](#)

Note: Endorsement of IFRS Standards by the EU no longer applies in the UK with effect from the end of the transition period following the UK's exit from the EU (IP completion day, 31 December 2020 at 11pm UK time). Going forward, the power to endorse IFRS Standards for use in the UK has been delegated by statute to the UK Endorsement Board (UKEB). However, companies subject to the FCA's Disclosure Guidance and Transparency Rules need to have regard to both EU-endorsed and UK-endorsed IFRS Standards for periods commencing before IP completion day.

Exposure drafts published:

[The IASB publishes its exposure draft of revised Practice Statement on Management Commentary](#)

[The IASB publishes proposed amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* to clarify the accounting when there is a lack of exchangeability](#)

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

Meeting minutes and further information:

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

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

UK GAAP

Amendments to Standards and Statements of Recommended Practice (SORPs):

[The Financial Reporting Council \(FRC\) issues '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 beyond 30 June 2021'](#)

[The FRC issues 'Amendments to FRS 101 – 2020/21 cycle'](#)

[The Consultative Committee of Accountancy Bodies \(CCAB\) has published an updated draft of its Limited Liability Partnerships \(SORP\)](#)

Corporate Governance

[The FRC publishes a research report on changes in remuneration reporting](#)

[The FRC publishes the results of research carried out by Royal Holloway, University of London and the Involvement and Participation Association into workforce engagement](#)

Recent developments (continued)

Other

The European Financial Reporting Advisory Group (EFRAG)

[EFRAG issues its draft comment letter on the IASB's Exposure Draft ED/2021/4 'Lack of Exchangeability \(proposed amendments to IAS 21\)'](#)

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

[EFRAG issues its draft comment letter on the IASB's Exposure Draft ED/2021/31 'Disclosure Requirements in IFRS Standards — A Pilot Approach \(Proposed amendments to IFRS 13 and IAS 19\)'](#)

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

[EFRAG issues its feedback statement on the IASB's Exposure Draft ED/2020/4 'Lease liability in a sale and leaseback \(Proposed amendment to IFRS 16\)'](#)

[EFRAG issues its final comment letter on the IASB's Exposure Draft ED/2020/4 'Lease Liability in a Sale and Leaseback \(Proposed amendment to IFRS 16\)'](#)

[EFRAG issues its final endorsement advice on the IASB's proposed amendment to IFRS 16 Leases and COVID-19](#)

[EFRAG prepares a report on the implementation and application issues of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities as part of its response to the IASB's request for information](#)

[The EFRAG Secretariat publishes a briefing paper regarding how to account for rate-regulated activities](#)

[The EFRAG Secretariat publishes a briefing paper regarding how to account for business combinations under common control](#)

The European Securities and Markets Authority (ESMA)

[ESMA publishes a report on the activities of accounting enforcers and their findings within the EU in 2020](#)

FRC

[The FRC publishes the results of its interim reporting thematic review](#)

[The FRC publishes its Strategy, Plan and Budget for 2021/22](#)

[The FRC commissions the Scenario Analysis Research project to explore the use of scenario analysis by FTSE 350 companies](#)

IASB

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

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

[The IASB will propose a narrow-scope amendment to IFRS 17 Insurance Contracts](#)

[The IASB issues a proposed IFRS Taxonomy Update](#)

[The IFRS Foundation issues a compilation of the IFRS Interpretations Committee agenda decisions from October 2020 to March 2021](#)

Public Sector

[The International Public Sector Accounting Standards Board \(IPSASB\) releases four exposure drafts on principles of measurement](#)

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

Recent developments (continued)

Sustainability, climate and integrated reporting

Global developments

[The Trustees of the IFRS Foundation propose amendments to the IFRS Foundation Constitution that would enable the creation of a new sustainability standards board](#)

[The Finance Ministers and Central Bank Governors of the G7 support the IFRS Foundation Trustees' initiative on sustainability reporting](#)

[The Finance Ministers and Central Bank Governors of the G20 support the FSB roadmap and welcome the IFRS Foundation Trustees sustainability initiative](#)

[The Eminent Persons Group to advise the IFRS Foundation Trustees on their sustainability initiative](#)

[The International Integrated Reporting Council \(IIRC\) and the Sustainability Accounting Standards Board \(SASB\) officially announce their merger to form the Value Reporting Foundation \(VRF\)](#)

[The International Organization of Securities Commissions \(IOSCO\) Vice Chair explains why and how IOSCO supports the sustainability initiative of the IFRS Foundation Trustees](#)

[IOSCO publishes a report on issuers' sustainability-related disclosures](#)

[The International Valuation Standards Council \(IVSC\) publishes a second perspectives paper on ESG factors and business valuation](#)

[The International Federation of Accountants \(IFAC\) publish a revised building blocks approach to reporting sustainability information](#)

[A new Taskforce on Nature-related Financial Disclosures is launched](#)

[The Value Accounting Network is founded](#)

[The Association of Chartered Certified Accountants \(ACCA\) publishes a report on three key ways in which integrated thinking is communicated in the annual integrated report](#)

[The ACCA and the University of Glasgow Adam Smith Business School publish a report on climate change reporting by companies within the extractive industries](#)

UK developments

[The FRC issues a paper discussing Environmental, Social and Governance \(ESG\) challenges, how they can be addressed and what actions the FRC intends to take](#)

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

[The Prince of Wales' Accounting for Sustainability Project \(A4S\) publish the 'Navigating the Reporting Landscape' guide](#)

EU developments

[The European Commission \(EC\) publishes a proposal for a Corporate Sustainability Reporting Directive](#)

[The EC announces new sustainable finance strategy](#)

[The EC asks EFRAG to begin work on the European sustainability reporting standards](#)

[The EC publishes the final report on its fitness check on public reporting by companies](#)

[EFRAG publishes an update on current developments regarding EU sustainability reporting standards](#)

[EFRAG launches a public consultation on due process procedures on EU sustainability reporting standard-setting](#)

[Accountancy Europe provides feedback on the proposed EU Corporate Sustainability Reporting Directive and releases a publication on cooperation in sustainability reporting standard-setting](#)

UKEB

[The UK Endorsement Board secretariat publishes its draft comment letter on the IASB's Discussion Paper DP2020/02 *Business Combinations under Common Control \("BCUCC"\)*](#)

[The UK Endorsement Board secretariat publishes its final comment letter to the IASB's Request for Information on its post-implementation review of IFRS 10, IFRS 11 and IFRS 12](#)

Recent developments (continued)

[The UK Endorsement Board secretariat publishes its feedback statement on the IASB's Exposure Draft ED/2020/4 *'Lease Liability in a Sale and Leaseback \(Proposed amendment to IFRS 16\)'*](#)

[The UK Endorsement Board secretariat publishes its final comment letter on the IASB's Exposure Draft ED/2020/4 *'Lease Liability in a Sale and Leaseback'*](#)

[The UK Endorsement Board secretariat publishes a draft UK Endorsement Criteria Assessment on the IASB's amendment *'Covid-19-Related Rent Concessions beyond 30 June 2021 \(Amendment to IFRS 16\)'*](#)

[The UK Endorsement Board receives delegated statutory powers from the Secretary of State for Business, Energy and Industrial Strategy](#)

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:

[Software-as-a-Service arrangements — Accounting changes are the result of an era of digital transformation](#)

[Special purpose acquisition companies](#)

Need to know

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

[IASB proposes a revised Practice Statement on Management Commentary](#)

[IASB amends IAS 12 for deferred tax related to assets and liabilities arising from a single transaction](#)

[IFRS Foundation Trustees propose amendments to the IFRS Foundation Constitution to accommodate an International Sustainability Standards Board](#)

[IASB proposes amendments to IAS 21 to specify when a currency is exchangeable and how to determine the exchange rate when it is not](#)

[IASB publishes amendment to IFRS 16 to extend the practical relief on COVID-19-related rent concessions](#)

[IASB seeks views on what the Board's priorities should be over the next five years](#)

[IASB proposes amendments to the disclosure requirements in IAS 19 and IFRS 13](#)

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:

[European Commission publishes proposed Corporate Sustainability Reporting Directive](#)

Governance in focus

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

[Governance in focus — Internal control and the board: What is all the fuss about?](#)

Other publications

[2021 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 2021. It includes a section on 'Interim reporting in 2021' which provides a number of key messages from the FRC's latest Thematic Review on interim reporting and other areas of consideration for 2021 half-yearly reporters. The guide also includes a model half-yearly financial report, including illustrative IAS 34 condensed financial statements and a disclosure checklist.

[IFRS compliance, presentation and disclosure checklist 2021](#)-The checklist summarises the recognition, measurement, presentation and disclosure requirements set out in IFRSs in issue as of 31 December 2020. This is a "pure" IFRS compliance, presentation and disclosure checklist. UK IFRS reporters should additionally consider the legal and regulatory requirements which UK IFRS reporters will also need to comply with.

[IAS 34 compliance checklist 2021](#)-The checklist summarises the requirements of IAS 34 Interim Financial Reporting as of 31 December 2020. This workbook may be used generally to assist in considering compliance with the requirements of IAS 34, however the exercise of judgement by users is still required. This is a "pure" IFRS compliance checklist. UK IFRS reporters should additionally refer to [2021 update on half-yearly financial reporting](#) for the legal and regulatory requirements which UK IFRS reporters will also need to comply with.

Other tools and resources (continued)

[On the board agenda – half year 2021](#) - This half year update is a timely reminder of some of the important reporting areas for board focus as we enter the second half of 2021. Our articles focus on interim reporting for reporters with December year ends, and an overview of changes in the regulatory reporting landscape as the FRC works towards its goal to transform itself into the Audit, Reporting and Governance Authority (ARGA).

[IFRS in your pocket 2021](#) - IFRS in your pocket is a comprehensive summary of the current IFRS Standards and Interpretations along with details of the projects on the standard-setting agenda of the International Accounting Standards Board.



Deloitte comment letters

IFRS

[The proposed amendments to the IFRS Foundation Constitution](#)

[Tentative agenda decision on warrants classified as financial liabilities on initial recognition](#)

[Tentative agenda decision on non-refundable VAT on lease payments](#)

[The IASB's post-implementation review of IFRS 10, IFRS 11, and IFRS 12](#)

[Tentative agenda decision on costs necessary to sell inventories](#)

[Tentative agenda decision on preparation of financial statements when an entity is no longer a going concern](#)

UK GAAP

[FRED 78 'Draft amendments to FRS 102 and FRS 105 - COVID-19 related rent concessions beyond 30 June 2021'](#)

Other

[TCFD's proposed climate-related guidance](#)

[SEC's requests for input on climate-related and other ESG disclosures](#)

[BEIS consultation on climate-related financial disclosures](#)

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 2021 year-ends

The table below provides a summary of pronouncements that will be newly effective for those with 30 June 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*
Amendments		
<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)</i>	Optional #	Optional #
<i>Amendments to References in the Conceptual Framework in IFRS Standards</i>	Yes	Yes
<i>Definition of a Business (Amendments to IFRS 3)</i>	Yes	Yes
<i>Definition of Material (Amendments to IAS 1 and IAS 8)</i>	Yes	Yes
<i>Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)</i>	Yes	Yes
<i>Covid-19-Related Rent Concessions (Amendment to 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 by the EU no longer applies in the UK with effect from the end of the transition period following the UK's exit from the EU (31 December 2020 at 11pm UK time). Going forward, the power to endorse IFRS Standards for use in the UK has been delegated by statute to the UK Endorsement Board. This has the following implications:

- For accounts prepared and approved before IP completion day (defined as 31 December 2020 at 11pm UK time), UK companies required or choosing to apply IFRS Standards should apply EU-adopted IFRS Standards.
- For accounting periods beginning on or after 1 January 2021, UK companies required or choosing to apply IFRS Standards will need to comply with UK-adopted IFRS Standards.
- Transitional provisions exist for companies whose year-end straddles IP completion day or whose year-end is before IP completion day but whose accounts are filed after IP completion day. These permit such companies to adopt any new IFRS standards or amendments that are endorsed by the UK after IP completion day in addition to 'frozen' IFRS as endorsed by the EU at IP completion day.
- For periods beginning before IP completion day, companies subject to the FCA's Disclosure Guidance and Transparency Rules (DTR) which are required to produce consolidated accounts must additionally state compliance with IFRS Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. This means that EU adoption of IFRS Standards subsequent to IP completion day remains relevant for such entities.

** This amendment has not yet been endorsed for use in the EU.

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 recently 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 recently 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. These take effect for periods beginning on or after 1 January 2021.

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

Click [here](#) to see the UK GAAP options available for financial reporting periods ending on 30 June 2021.



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