



## Accounting Roundup

### October 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 July 2020, please refer to Deloitte's [Accounting Roundup-July 2020](#).

## COVID-19 (continued)

### COVID-19 news

#### The Financial Reporting Council (FRC)

[The FRC issues a statement on the application of accounting for lease modifications \(Amendment to IFRS 16 - COVID-19-Related Rent Concessions\)](#)

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

[The FRC Lab releases guidance covering some critical areas of focus for 2020 year-ends](#)

[The FRC publishes the results of its review of audit firms' going concern policies and procedures](#)

#### Public Sector

[The International Public Sector Accounting Standards Board \(IPSASB\) proposes to delay the effective dates of recently published standards and amendments in light of COVID-19](#)

[The International Federation of Accountants \(IFAC\), the Zurich University of Applied Science \(ZHAW\), and the IPSASB publish a COVID-19 accounting tool for governments](#)

[Accountancy Europe releases its second podcast on the public sector and COVID-19, focusing on the long-term required actions](#)

#### Other news

[The European Securities and Markets Authority \(ESMA\) issues a statement on supervisory coordination regarding accounting for COVID-19-related rent concessions](#)

[The Institute of Chartered Accountants in England and Wales \(ICAEW\) publishes guidance on how to improve disclosures when preparing accounts in accordance with FRS 102 in light of COVID-19](#)

[The IFRS Foundation publishes an IFRS Taxonomy update to reflect the new disclosure requirements introduced by amendments to IFRS 16 regarding COVID-19-related rent concessions](#)

[IFAC calls on G20 leaders to strengthen reporting in their long-term recovery from COVID-19](#)

[The ICAEW publishes going concern considerations guide for FRS 105 reporters](#)

### COVID-19 Publications

[Need to know - Accounting considerations related to COVID-19 for FRS 102 reporters](#)

[Accounting considerations in response to COVID-19 – Leases](#)



## Other recent developments

### IFRS

#### Amendments:

[The International Accounting Standards Board \(IASB\) finalises the second phase of its project on IBOR reform](#)

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

#### EU endorsement:

[The European Union formally adopts IFRS 16 amendments regarding COVID-19-related rent concessions](#)

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

#### Meeting minutes and further information:

[July](#) and [September](#) IASB meetings

[September](#) IFRSIC meeting

### UK GAAP

#### Amendments:

[The FRC issues \*Amendment to FRS 101 – Effective date of IFRS 17, 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 and Amendments to FRS 104 Interim Financial Reporting - Going concern\*](#)

#### Discussion Papers published:

[The FRC publishes discussion paper on the future of corporate reporting](#)

### Corporate Governance

[The FRC publishes its review of early reporting against the UK Stewardship Code 2020](#)

### Other

#### The European Financial Reporting Advisory Group (EFRAG)

[EFRAG issues its final endorsement advice on amendments to the second phase of the interest rate benchmark reform](#)

[EFRAG publishes its draft endorsement advice on IFRS 17 \*Insurance Contracts\*](#)

[EFRAG publishes a discussion paper on crypto-assets \(liabilities\)](#)

[EFRAG issues its final endorsement advice on IFRS 4 \*Insurance Contracts\*/IFRS 9 \*Financial Instruments\* amendments](#)

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

### ESMA

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

### FRC

[The FRC publishes findings on the quality of corporate reporting in 2019/2020](#)

[The FRC publishes the results of two thematic reviews covering the current reporting on IFRS 15 \*Revenue from Contracts with Customers\* and IFRS 16 \*Leases\*](#)

[The FRC Lab publishes a set of tips to help companies make S172 statements more useful](#)

[The FRC and the IASB release a joint webinar on the General Presentation and Disclosures Exposure Draft](#)

[The FRC issues its 2021 suite of Taxonomies](#)

## Other recent developments (continued)

### IASB

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

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

[The IASB issues a webcast on amendments to IFRS 17](#)

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

### Public Sector

[The Chartered Institute of Public Finance and Accountancy \(CIPFA\) and the Local Authority \(Scotland\) Accounts Advisory Committee \(LASAAC\) consult on a new Code of Practice on Local Authority Accounting](#)

### Sustainability, climate, Environmental, Social and Governance (ESG) and integrated reporting

[The IFRS Foundation consults on establishing a sustainability standards board](#)

[The IASB Chair says Trustees are 'considering' sustainability reporting](#)

[HM Treasury publishes 2020/2021 sustainability reporting guidance for public sector annual reports](#)

[The World Economic Forum \(WEF\) issues a publication discussing the new ESG framework developed by the Big Four accounting firms](#)

[Summary of responses to the European Commission \(EC\) consultation on the revision of the EU Non-Financial Reporting Directive \(NFRD\)](#)

[ESMA and the European Banking Authority \(EBA\) reiterate that IFRS Standards do not hamper sustainable investment behaviour](#)

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

[Five internationally significant framework and standard-setting institutions publish a statement of intent to work together towards a comprehensive corporate reporting system](#)

[The Chartered Financial Analysts Institute \(CFA Institute\) publishes a consultation paper on a new ESG disclosure standard](#)

[Investor groups call on companies to reflect climate-related risks in financial reporting](#)

## Other tools and resources



### Deloitte publications, interviews and recordings

#### Need to know

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

[Ground-breaking proposal from IFRS Foundation points to global standards for sustainability reporting](#)

[IASB issues 'Interest Rate Benchmark Reform — Phase 2 \(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16\)'](#)

[Accounting, auditing and corporate governance – legal and regulatory changes arising from Brexit](#)

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

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

#### 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:

[Progress towards a comprehensive corporate reporting system](#)

## Other tools and resources (continued)

### Other publications

[Annual report insights 2020-Surveying FTSE reporting](#) - This year our survey of FTSE companies' annual report focuses on the hot topics that companies themselves are focusing on, including COVID-19. COVID-19 illustrates how quickly an environmental, social and governance (ESG) issue can affect financial returns, reinforcing the need for resilient business models and the importance of fostering relationships with all stakeholders not just shareholders. The growing awareness of the relationship between purpose and profit and growing recognition by companies of the need to deliver sustained value to a range of stakeholders is redefining the social contract between business and society. ESG factors now feature prominently in boardrooms and gain ever more attention from investors. Our survey examines reporting trends across five areas – purpose, people, planet, profit, sometimes referred to as 'the 4 Ps', and the pandemic. It includes insight on responses to changing report requirements, areas for improvement, regulatory hotspots and examples of disclosure.

[Climate Crisis: Mark Carney on the role of the board in transition to net zero](#) - Mark Carney, United Nations Special Envoy for Climate Action and Finance and former Governor of the Bank of England, discusses the need for a whole economy transition to achieve net zero. He is joined in a panel discussion on the role of the Board and the special responsibility of the Chair in the transition to net zero.

[IFRS model financial statements 2020](#) - The model financial statements are intended to illustrate the presentation and disclosure requirements of IFRS Standards 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.

[IFRS compliance, presentation and disclosure checklist 2020](#) -The checklist summarises the recognition, measurement, presentation and disclosure requirements set out in IFRS Standards in issue as of 30 April 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 2020](#) - The checklist summarises the requirements of IAS 34 Interim Financial Reporting as of 30 April 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 the '[2020 update on half-yearly financial reporting](#)' publication for the legal and regulatory requirements which UK IFRS reporters will also need to comply with.

[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.

## Other tools and resources (continued)



### Insurance webcasts

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



### Deloitte comment letters

#### IFRS

[General presentation and disclosures](#)

[Tentative agenda decision on supply chain financing arrangements — reverse factoring](#)

#### UK GAAP

[FRED 74 'Draft amendments to FRS 102 - Interest rate benchmark reform \(phase 2\)'](#)

[FRED 75 'Draft amendments to FRS 104 Interim Financial Reporting – Going concern'](#)

[FRED 76 'Draft amendments to FRS 102 and FRS 105 – COVID-19-related rent concessions'](#)

#### Other

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

[Consultation on the renewed sustainable finance strategy](#)

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

[The FCA's consultation paper 20/3 'Proposals to enhance climate-related disclosures by listed issuers and clarification of existing disclosure obligations'](#)

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 September 2020 year-ends

The table below provides a summary of pronouncements that will be newly effective for those with 30 September 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
<b>Standards</b>		
IFRS 16 <i>Leases</i>	Yes	Yes
<b>Interpretations</b>		
IFRIC 23 <i>Uncertainty over income tax treatments</i>	Yes	Yes
<b>Amendments</b>		
<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](#).

## Other tools and resources (continued)

### 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. Amendments](#) have also recently been made to FRS 100, FRS 101, FRS 102, FRS 104 and FRS 105.

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

### 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 covering the directors' remuneration policy and directors' remuneration report for periods commencing on or after 10 June 2019 and include, in particular, requirements for the remuneration report to include:
  - a comparison of the annual change of each director's pay to the annual change in average employee pay, over a rolling five year period.
  - the split of fixed and variable pay for each director, as two additional columns to the existing 'Single Figure' table.
  - any changes made to share options granted or offered and the main conditions for the exercise of these rights including the exercise price and date, compared to the previous year.

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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