



IFRS on Point

Financial Reporting Developments and Information: March 2018

International headlines

Deloitte IFRS communications and publications

Comment letters

Effective dates

International headlines

IASB publishes revised Conceptual Framework

The International Accounting Standards Board (IASB) has published its revised *Conceptual Framework for Financial Reporting*. The revised Conceptual Framework includes a new chapter on measurement, guidance on reporting financial performance, revised definitions and guidance (in particular the definition of a liability) and clarifications in areas such as the roles of stewardship, prudence and measurement uncertainty in financial reporting. The new Conceptual Framework does not constitute a substantial revision of the document. Instead the IASB focused on updating, clarifying and filling in gaps in the 2010 Conceptual Framework. The Conceptual Framework does not have a stated effective date and the Board will start using it immediately.

Please click to access the following documents on the IASB website:

- **Press release** and related podcast
- **Feedback statement**
- **One page factsheet on the new framework**
- Information on the 18 April 2018 **live web presentations** to introduce the revised Conceptual Framework

IASB publishes proposed amendments to IAS 8 regarding IFRS IC agenda decisions

The IASB has published an exposure draft *Accounting Policy Changes (Proposed amendments to IAS 8)*, proposing narrow-scope amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to address how to account for a voluntary change in an accounting policy that results from an agenda decision published by the IFRS Interpretations Committee. Comments are requested by 27 July 2018.

Please click to access the following documents on the IASB website.

- **Press release** on the IASB website
- **Exposure Draft** on the IASB website
- **IFRS in Focus Newsletter** on IASPlus website

For more information please see
the following websites:

www.iasplus.com

www.deloitte.com

IASB Board meeting (March 2018)

The IASB Board met on 21-22 March 2018. The following topics were on the agenda.

- Accounting Policies and Accounting Estimates (Proposed amendments to IAS 8)
- Improvements to IFRS 8 *Operating Segments* arising from the post-implementation review
- Post-implementation review of IFRS 13 *Fair Value Measurement*
- Disclosure initiative
- Dynamic risk management (macro-hedging)
- Rate-regulated activities
- Management Commentary Practice Statement

Please click to access the following documents.

- **IASB Update** on the IASB website
- **Agenda and related agenda papers** on the IASB website
- **Podcast** discussing the deliberations at the meeting on the IASB website
- Updated **IASB work plan** on the IASB website
- **Detailed notes taken** by Deloitte observers on the IASPlus website

IFRS Interpretations Committee meeting (March 2018)

The IFRS Interpretations Committee met via video conference call on 13 March 2018. The following topics were on the agenda.

- Items on the current agenda
 - Deferred tax – tax base of assets and liabilities (IAS 12 *Income Taxes*)
 - Costs considered in assessing whether a contract is onerous (IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*)
 - Payments relating to taxes other than income tax (IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*)
- Committee's tentative agenda decisions
 - Classification of a particular type of dual currency bond (IFRS 9 *Financial Instruments*)
 - Hedge accounting with load following swaps (IFRS 9 *Financial Instruments* and IAS 39 *Financial Instruments – Recognition and Measurement*)
 - Classification of short-term loans and credit facilities (IAS 7 *Statement of Cash Flows*)
- Committee's agenda decisions
 - Presentation of interest revenue for particular financial instruments (IFRS 9 *Financial Instruments* and IAS 1 *Presentation of Financial Statements*)
 - Revenue recognition in a real estate contract (IFRS 15 *Revenue from Contracts with Customers*)
 - Revenue recognition in a real estate contract that includes the transfer of land (IFRS 15 *Revenue from Contracts with Customers*)
 - Right to payment for performance completed to date (IFRS 15 *Revenue from Contracts with Customers*)

Please click to access the following documents.

- IFRIC **Update** on the IASB website
- Agenda and **related agenda papers** on the IASB website
- **Detailed notes taken** by Deloitte observers on the IASPlus website

ASAF Meeting (April 2018)

The Accounting Standards Advisory Forum (ASAF) will meet on 16 and 17 April 2018. The following topics are on the agenda.

- Accounting policies and accounting estimates
- Commodity loans and related transactions (including a presentation by the ASBJ on the Japanese GAAP standard on the Accounting for Virtual Currencies under the Payment Services Act)
- Due Process Handbook Review
- Financial Reporting in Australia (including a discussion on whether financial reporting is still an effective tool for equity investors in Australia?)
- Goodwill and Impairment
- Primary Financial Statements
- Principles of Disclosure
- Rate-regulated Activities

Please click to access the **agenda and agenda papers** on the IASB website.

IFRS Advisory Council Meeting (February 2018)

The IFRS Advisory Council met on 27–28 February 2018. The following topics were on the agenda.

- Value and effectiveness of the IASB's approach to effects analysis
- Effectiveness of the Board's current conference strategy
- Academic liaison strategy
- 2018 Review of the Accounting Standards Advisory Forum
- Engagement with emerging economies
- Board's proposed social media strategy

Please click to access the following documents on the IASB website:

- The **meeting summary**
- Agenda and **related agenda papers**

IFRS Foundation Trustees and Due Process Oversight Committee (January 2018)

The IFRS Foundation Trustees and the Due Process Oversight Committee (DPOC) met in Hong Kong on 30 January – 1 February 2018.

The following issues were discussed at the DPOC meeting.

- Introduction and actions from previous DPOC meeting
- Technical activities: Key issues and update
- IFRS Taxonomy Consultative Group: appointment of Vice-Chair
- Due Process Handbook Review
- Correspondence: update.

Please click to access the following documents on the IASB website.

- **Meeting summary**
- Agenda and **related agenda papers**

IASB posts webcast on IFRS 17

The IASB has posted a webcast on recognising the contractual service margin in profit or loss in IFRS 17 *Insurance Contracts*.

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

IASB to set up consultative group for updating the Management Commentary Practice Statement

The IASB is seeking participants for a consultative group that will advise the Board on its project to update IFRS Practice Statement 1 *Management Commentary*. The deadline for applications is 20 April 2018.

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

2018 IFRS XBRL taxonomy issued

The IFRS Foundation has issued its 2018 IFRS Taxonomy. The IFRS Taxonomy 2018 is consistent with IFRSs as issued by the IASB at 1 January 2018.

Please click to access the **press release** and the **IFRS Taxonomy 2018** on the IASB website.

IFRS conference in Frankfurt

The IFRS Foundation has announced that its next IFRS conference in Europe will be held in Frankfurt, Germany on 28–29 June 2018.

Please click to access for **details** of the conference on the IFRS website.

IASB publishes March 'Investor Update' newsletter

The March issue of the Investor Update newsletter includes the following articles.

- Spotlight–Timing and amount of revenue recognition–IFRS 15
- In Profile–Zhenyi Tang, Chairman of CLSA, Executive Committee member CITIC Securities, CMAC member

Please click to access the **newsletter** on the IASB website.

IFRS Foundation seeks Trustee nominations

The IFRS Foundation is seeking applications for the role of Trustee. Trustees' responsibilities include oversight of the organisation in the public interest, its strategic direction, appointments to the Board, the IFRS Interpretations Committee and the IFRS Advisory Council, and ensuring the financing of the organisation and approving its budget.

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

IFRS Foundation reappoints two IFRS Interpretations Committee members

The Trustees of the IFRS Foundation have announced the reappointment of two IFRS Interpretations Committee members, one of them Robert Uhl, Head of Deloitte's IFRS Centre of Excellence for the United States. The other reappointed member, Jongsoo Han, is a Member of the Korea Accounting Standards Board and Chairman of the Korea Institute of CPAs' Accounting Research Committee.

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

Webinar on the presentation of amalgamations in IPSAS 40

In February 2017, the International Public Sector Accounting Standards Board (IPSASB) released IPSAS 40 'Public Sector Combinations'. The Standard applies from 1 January 2019 with earlier adoption encouraged. The IPSASB has released a video intended to help users understand the requirements regarding amalgamations under IPSAS 40.

Please click to access the **webinar** on the IPSASB website.

Bilateral meeting of the standard-setters from Australia and Japan (March 2018)

Representatives of the Australian Accounting Standards Board and of the Accounting Standards Board of Japan met on 22 and 23 March 2018 in Melbourne.

The following topics were on the agenda.

- IFRS implementation issues (in particular impairment testing)
- Virtual currencies
- Intangible assets (in particular goodwill)
- Business combinations under common control
- Equity method of accounting
- Other comprehensive income

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

Bilateral meeting of the standard-setters from Hong Kong and Japan (March 2018)

Representatives of the Hong Kong Institute of Certified Public Accountants and of the Accounting Standards Board of Japan met on 5 and 6 March 2018 in Hong Kong.

The following issues were discussed at the meeting

- Virtual currencies
- Group reorganisations (or intra-group mergers and acquisitions)

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

Japan updates list of 'designated' IFRSs

The Financial Services Agency of Japan has announced that additional IFRSs issued up until 31 December 2017 were designated for use by companies voluntarily applying IFRS in Japan.

The newly added IFRS are

- Amendments to IAS 28 on measurement of long-term interests in associates and Joint Ventures
- Amendments to IFRS9 on prepayment features and modifications of financial liabilities
- Annual improvements 2015-2017

AOSSG updates report on financial transactions under IFRS

The Islamic Finance Working Group of the Asian-Oceanian Standard-Setters Group (AOSSG) has published *Reporting Islamic Financial Transactions under IFRS*, an update to the financial reporting issues relating to Islamic Finance published in 2010.

Please click to access the **updated report** on the AOSSG website.

ASBJ to present on virtual currencies at upcoming ASAF meeting

The Accounting Standards Board of Japan has published the *Practical Solution on the Accounting for Virtual Currencies under the Payment Services Act* as part of Japanese GAAP.

At the upcoming Accounting Standards Advisory Forum Meeting (16-17 April 2018), the Japanese representatives will present this new Japanese GAAP standard and also point out potential issues to consider under IFRS.

Please click to access the following documents on the ASBJ website.

- **Presentation for the ASAF meeting**
- **Short summary** of the *Practical solution on the Accounting for Virtual Currencies under the Payment Services Act*

EC launches fitness check on public reporting by companies

The European Commission (EC) has published a consultation document *Fitness Check on the EU Framework for Public Reporting by Companies*. The EC is seeking stakeholder views on whether the EU framework for public reporting by companies is fit for purpose. Its first objectives are to assess whether the EU public reporting framework is overall still relevant for meeting the objectives, adds value at the European level, and is effective, internally consistent, coherent with other EU policies, efficient and not unnecessarily burdensome. Secondly it will also review specific aspects of the existing legislation as required by EU law, and thirdly it will assess whether the EU public reporting framework is fit for new challenges (sustainability, digitalisation). Comments are requested by 21 July 2018.

Please click to access the **full consultation paper** on the EC website.

Standards Setters react to EU fitness check on public reporting of companies

Following the publication by the European Commission of its consultation document *Fitness Check on the EU Framework for Public Reporting by Companies*, the IASB and the IFRS Foundation have issued a press release. The press release notes that “one of the most important questions asked in the questionnaire of the Fitness Check is whether the EU should introduce a mechanism to allow changes to be made to IFRS Standards as used in the EU, known as ‘carve-ins’. This would be in addition to the EU’s existing (and rarely used) powers to choose not to endorse an IFRS Standard or parts of it, known as ‘carve-outs’”. The IASB and the IFRS Foundation expressed surprise that the questionnaire raises the possibility of introducing European carve-ins to IFRS Standards and they urge their constituents to respond to the consultation.

Please click to access the **full press release** on the IASB website.

The Accounting Standards Committee of Germany (ASCG) has also reacted to the launch of the consultation. It fears a “politically desired result” and notes that it is of great importance that the “business community raises its voice in this important survey and sends a clearly audible signal to Brussels”.

Please click to access the **full press release** on the AGCG website.

European Commission publishes action plan on sustainable finance

In January 2018, the High-Level Expert Group (HLEG) on Sustainable Finance, established by the European Commission (EC), published its final report setting out strategic recommendations for a financial system that supports sustainable investments. The European Commission has now reacted to the recommendations by proposing an EU strategy on sustainable finance setting out a roadmap for further work and upcoming actions covering all relevant actors in the financial system.

Please click to access the **full text** of the action plan and **additional documents such as FAQs and factsheets** on the EC website.

Exchange of views between ECON and representatives of the IASB

On 19 March 2018, the Committee on Economic and Monetary Affairs (ECON) of the European Parliament and representatives of the IASB and the IFRS Foundation met for an exchange of views. Parliamentarians were most interested in Information about IFRS 9 *Financial Instruments* and IFRS 17 *Insurance Contracts*.

Please click to access the **recording of the meeting** on the EC website

EFRAG Publications

The European Financial Reporting Advisory Group (EFRAG) has published the following documents.

- Discussion paper **Equity Instruments – Impairment and Recycling** to gather constituents' views on recycling and impairment of equity instruments designated at fair value through other comprehensive income. Comments are requested by 25 May 2018.

Please click to access the **discussion paper** on the EFRAG website.

- Literature review on IFRS 9 and long-term investment. This review complements EFRAG's discussion paper on the same topic.

Please click to access the **literature review** on the EFRAG website.

- The remaining two papers in its series of three background briefing papers on IFRS 17 *Insurance Contracts*.

Please click to access the following papers on the EFRAG website.

- **Briefing paper on the level of aggregation**
- **Briefing paper on the release of the contractual service margin**
- **Briefing paper on transition requirements**

- 2017 annual review

Please click to access the **annual review** on the EFRAG website.

European Union formally adopts amendments to IFRS 9

The European Union has published a Commission Regulation endorsing *Prepayment Features with Negative Compensation (Amendments to IFRS 9)*.

Please click to access the following documents.

- The **Commission Regulation** on the EC site
- The updated **endorsement status report** on the EFRAG website.

Accountancy Europe issues position paper on sustainable finance

In the context of the EU's transition to a low-carbon, resource-efficient and sustainable economy, Accountancy Europe has published a position paper that notes that the financial system has a critical role to play in this process and that professional accountants are crucial in building a comprehensive sustainable financial system.

Please click to access the **position paper** on Accountancy Europe website.

Hyperinflationary economies – updated IPTF watch list available

The International Practices Task Force (IPTF) of the Centre for Audit Quality (CAQ) monitors the status of 'highly inflationary' countries for the purposes of applying US GAAP.

Please click here to access **IPTF's assessment** of hyperinflationary jurisdictions as of November 2017.

Recent sustainability and integrated reporting developments

- The International Integrated Reporting Council (IIRC) has released the results of a survey of executives from across the globe on trends and challenges in measuring, disclosing and understanding the value that companies create. 96% of those surveyed agree that bringing financial and non-financial information together provides a more forward-looking, longer-term view of performance.

Please click to access the **results of the survey** on the IIRC website.

The Climate Disclosure Standards Board (CDSB) and the Carbon Disclosure Project (CDP) have released a report, *Ready or not: Are companies prepared for the TCFD recommendations?* The report shows that there is a clear gap between the way companies identify climate-related risks and opportunities and how they are preparing to tackle them.

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

- The Climate Disclosure Standards Board (CDSB) has published *Uncharted waters: How can companies use financial accounting standards to deliver on the TCFD's recommendations?* The publication explores how companies can use existing international accounting standards when implementing the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Please click to access the **full report** on the CDSB website.

- The Chair of the Financial Stability Board (FSB) has written a letter to the G20 Finance Ministers and Central Bank Governors setting out the FSB priorities for the Argentine G20 Presidency. The letter notes that the Task Force on Climate-related Financial Disclosures (TCFD) is now focused on promoting companies' voluntary implementation of its recommendations and will report on voluntary implementation at the Buenos Aires summit.

Please click to access the **letter** on the FSB website.

- The World Business Council for Sustainable Development (WBCSD) and the Climate Disclosure Standards Board (CDSB) have released a new report that maps global and regional environmental, social and governance (ESG) reporting trends.

Please click to access the **report** on the CDBS website.

- The WBCSD and the CDSB have also published a case study that sheds light on the corporate reporting requirements and resources across China.

Please click to access the **case study** on the CDBS website.

- The Association of Chartered Certified Accountants (ACCA) has published a report, *Insights into integrated reporting 2.0: walking the talk*, providing its latest assessment of integrated reporting. The report is a follow up to the 2017 report *Insights into Integrated Reporting – Challenges and best practice responses*.

Please click to access the **report** on the ACCA website.

- The New Zealand External Reporting Board (XRB) has published the result of research into the current state of extended external reporting from the perspective of preparers and users. The results are reported in key parts and compared in the documents *Survey Insights and Survey Highlights*.

Please click to access the **report** on the Mcguinness institute website.

- The Japanese Institute of Certified Public Accountants (JICPA) has published *Vision for the future of integrated reporting and the role of CPAs*.

Please click to access the **publication** on the JICPA website.

- The Colombo Stock Exchange (CSE) fulfilled its commitment to provide guidance to its market on sustainability reporting by publishing *Communicating Sustainability, Six Recommendations for listed Companies*.

Please click to access the **guidance** on the CSE website.

Back to top

Deloitte IFRS communications and publications

Issuance Date	Description
29 March 2018	IFRS in Focus – IASB proposes more changes to IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’
21 March 2018	Revenue from Contracts with Customers – A guide to IFRS 15
12 March 2018	IFRS on Point – February 2018
01 March 2018	IFRS in Focus – Plan Amendment, Curtailment or Settlement, amendments to IAS 19

Back to top

Comment letters

	Description	Receiving party	Date issued/ Comment deadline
Comment Letters Pending	Accounting Policy Changes (Amendments to IAS 8)	IASB	27/07/2018

Back to top

Effective dates

Click **here** for upcoming and recent effective dates.

Back to top

Key contacts

Global IFRS Leader

Veronica Poole

ifrsglobalofficeuk@deloitte.co.uk

IFRS Centres of Excellence

Americas

Canada

Karen Higgins

ifrs@deloitte.ca

Mexico

Miguel Millan

mx-ifrs-coe@deloittemx.com

United States

Robert Uhl

iasplus-us@deloitte.com

Asia-Pacific

Australia

Anna Crawford

ifrs@deloitte.com.au

China

Stephen Taylor

ifrs@deloitte.com.cn

Japan

Shinya Iwasaki

ifrs@tohmatu.co.jp

Singapore

James Xu

ifrs-sg@deloitte.com

Europe-Africa

Belgium

Thomas Carlier

ifrs-belgium@deloitte.com

Denmark

Jan Peter Larsen

ifrs@deloitte.dk

France

Laurence Rivat

ifrs@deloitte.fr

Germany

Jens Berger

ifrs@deloitte.de

Italy

Massimiliano Semprini

ifrs-it@deloitte.it

Luxembourg

Eddy Termaten

ifrs@deloitte.lu

Netherlands

Ralph Ter Hoeven

ifrs@deloitte.nl

Russia

Maria Proshina

ifrs@deloitte.ru

South Africa

Nita Ranchod

ifrs@deloitte.co.za

Spain

Cleber Custodio

ifrs@deloitte.es

United Kingdom

Elizabeth Chrispin

deloitteifrs@deloitte.co.uk



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms and their related entities. DTTL (also referred to as "Deloitte Global") and each of its member firms are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our network of member firms in more than 150 countries and territories serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 264,000 people make an impact that matters at www.deloitte.com.

This communication is for internal distribution and use only among personnel of Deloitte Touche Tohmatsu Limited, its member firms and their related entities (collectively, the "Deloitte network"). None of the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2018. For information, contact Deloitte Touche Tohmatsu Limited.

Designed and produced by The Creative Studio at Deloitte, London. J15417-2