



## IFRS on point

### Financial Reporting Developments and Information from December 2019

---

#### International headlines

#### Deloitte IFRS communications and publications

#### Comment letters

#### Effective dates

---

### International headlines

#### IASB proposes new Standard on general presentation and disclosures in financial statements

The International Accounting Standards Board (IASB) has published an Exposure Draft of a new Standard titled *General Presentation and Disclosures* that is intended to replace IAS 1. Comments are requested by 30 June 2020.

The Exposure Draft proposes that entities would be required to:

- present new defined subtotals in the statement of profit or loss;
- disaggregate information in a better way; and
- disclose information about some performance measures defined by management ('non-GAAP' measures).

In particular:

- In the profit or loss statement:
  - Income and expenses would have to be categorised as operating, integral associates and joint ventures, investing and financing. These categories would have a different meaning than the categories in the statement of cash flows.
  - An entity would have to provide three additional subtotals: operating profit or loss, operating profit or loss and income from integral associates and joint ventures (if the entity has income or expense from integral associates and joint ventures), and profit or loss before financing and income tax.
  - Entities would be required to present their analysis of operating expenses using the method (by nature or by function) that provides the most useful information. A list of indicators would be provided to help entities assess the method that provides the most useful information.

For more information please see the following websites:

[www.iasplus.com](http://www.iasplus.com)

[www.deloitte.com](http://www.deloitte.com)

- In the statement of financial position, entities would be required to separate goodwill from intangible assets and to distinguish integral associates and joint ventures and non-integral associates and joint ventures.
- In the statement of cash flows, entities would no longer have a choice as to where to present cash flows from dividends and interest. For most entities, dividends and interest paid would be cash flows from financing activities, while dividends and interest received would be cash flows from investing activities.
- In the notes to the financial statements, entities would be required to disclose and explain unusual items (i.e. income and expenses with limited predictive value) in a single note.
- Information that constitutes management performance measures (MPMs) would be defined and entities would be required to disclose all MPMs in a single note to the financial statements, accompanied by disclosures aimed at enhancing their transparency.

Please click to access the following:

- **IASB press release** on the IASB website
- **Exposure Draft, Basis for Conclusions** and **Illustrative Examples** on the IASB website
- **IASB Snapshot** summarising the proposals on the IASB website
- **Debrief** with IASB Chairman Hans Hoogervorst on Youtube

### IASB Board meeting (December 2019)

The IASB met in London on 11–12 December 2019.

The following topics were on the agenda:

- Implementation Matters
  - Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)
  - Annual Improvements to IFRS Standards 2018–2020
- Accounting Policies and Accounting Estimates (Amendments to IAS 8)
- Financial Instruments with Characteristics of Equity
- Amendments to IFRS 17 Insurance Contracts
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)
- 2019 Comprehensive Review of the IFRS for SMEs Standard
- IBOR Reform and the Effects on Financial Reporting
- Subsidiaries that are SMEs
- Business Combinations under Common Control

Please click to access the following documents:

- **IASB Update** and post-meeting **podcast** on the IASB website
- **Agenda and related agenda papers** on the IASB website
- **Updated IASB work plan** on the IASB website
- **Detailed notes** taken by Deloitte observers on the IAS Plus website

### MCCG meeting (December 2019)

The IASB's Management Commentary Consultative Group (MCCG) met on 13 December 2019 in London.

The following topics were on the agenda:

- Supporting adoption of the Practice Statement
- Topics for further input
- Overview of staff's current proposals

The **agenda and slides** for the meeting are available on the IASB website.

### DPOC decides on agenda decisions published by the IFRS Interpretations Committee

The Due Process Oversight Committee (DPOC) of the IFRS Foundation held a conference call in December to discuss staff recommendations for finalising the proposed amendments to the Due Process Handbook relating to agenda decisions published by the IFRS Interpretations Committee.

Please click to access the **agenda paper** for the meeting and the **audio recording** on the IASB website.

### IASB releases podcast on IFRS 17

The IASB has released a podcast featuring IASB member Darrel Scott and technical staff member Vitalina Kobernik as they discuss the developments at the December 2019 Board meeting related to the amendments to IFRS 17.

The podcast discusses the amendments tentatively finalised during the meeting and focuses on the expected recovery of insurance acquisition cash flows and the accounting for reinsurance contracts held.

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

### Third podcast in series on IFRS Interpretations Committee developments

The IASB has issued a podcast focusing on IFRS Interpretations Committee activities and developments between October and December 2019. Among the topics covered are one final agenda decision addressing lease term and useful life of leasehold improvements, two tentative agenda decisions—one relating to deferred taxes and the other to player transfer payments, as well as the status of several narrow-scope amendments that are currently in the process of being finalised.

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

### IASB Chairman speaks on how high-quality accounting standards can help resist the incentives for short-termism

In a speech at the 9th Symposium on Accounting Research hosted by the French standard-setter Autorité des Normes Comptables (ANC), IASB Chairman Hans Hoogervorst talked about the importance of high-quality accounting standards in supporting long-term investment.

Please click to access Mr Hoogervorst's **speech** on the IASB website.

### Chairman of the IFRS Foundation Trustees speaks about Big Techs and financial stability

The Chair of the IFRS Foundation Trustees Erkki Liikanen delivered a keynote speech at L'Agefi's 10th Meeting of the Financial Industry in which he tackled the question of whether big tech is a threat to financial stability.

Please click to access the **full text** of Mr Liikanen's speech on the IASB website.

### IASB Vice-Chair speaks at annual AICPA conference

At the 2019 American Institute of Certified Public Accountants (AICPA) Conference on current United States Securities and Exchange Commission (SEC) and Public Company Accounting Oversight Board (PCAOB) developments held in Washington, IASB Vice-Chair Sue Llyod gave a speech titled *Enhancing relevance in 2020 and beyond*. The topics of the speech were:

- The IASB's Primary Financial Statements project
- The linkage between financial and non-financial reporting in the IASB's Management Commentary project
- Consistent application of IFRS Standards

The **full text** of the speech is available on the IASB website.

### IFRS Foundation publishes its first stakeholder engagement register

The IFRS Foundation has published its first quarterly stakeholder engagement register, which provides a public record of IASB members' engagement with stakeholders.

The register was created to increase transparency and includes speaking engagements and face-to-face, web-based or phone meetings of more than 30 minutes duration.

Please click to access the Q3/2019 **stakeholder engagement register** on the IASB website.

### CMAC announces that five new members have been appointed

Florian Esterer, Koei Otaki, Anthony Scilipoti, Sunil Singhania and Joao Toniato will join the IASB's Capital Markets Advisory Committee (CMAC) for a three-year term beginning 1 January 2020, renewable once for an additional three-year term.

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

### ESMA reports on EU issuers' use of APMs

ESMA has published a report that builds on a desktop review of 2018 annual financial reports to assess issuers' compliance with its Guidelines on Alternative Performance Measures (APMs) for listed issuers that became effective in July 2016.

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

### EFRAG explains how comments on its draft IFRS 17 comment letter were considered in finalising the letter

The European Financial Reporting Advisory Group (EFRAG) published its final comment letter on the IASB Exposure Draft ED/2019/4 *Amendments to IFRS 17* in September 2019.

EFRAG has now released a feedback statement summarising comments received on the draft comment letter and explaining how those comments were considered by EFRAG during its technical discussions leading to the publication of the final comment letter.

Please click to access the **feedback statement** and the **press release** on the EFRAG website, which offers a general analysis of the comments received.

### Accountancy Europe releases paper on interconnected standard-setting for corporate reporting

Accountancy Europe has published a paper describing and calling for a global solution to interconnected standard-setting that can meet the need for reliable, consistent information in non-financial reporting that is interconnected with financial reporting.

Comments on the paper are invited by 31 March 2020.

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

### UK taskforce publishes second report on IFRS 9 expected credit loss disclosures

In November 2017, The UK Financial Conduct Authority (FCA), Financial Reporting Council (FRC) and the Prudential Regulatory Authority (PRA) set up the Taskforce on Disclosures about Expected Credit Losses ('the DECL Taskforce'). The taskforce has now published its second report, which adds guidance and illustrative examples that show how the recommendations in the first report can be presented in a way that enhances comparability between banks.

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

### IVSC continues article series on goodwill amortisation

The International Valuation Standards Council (IVSC) has published the second article titled *Information Value of the Current Impairment Test: Leading or Lagging Indicator?* in a series looking into whether principles underlying business valuations are compatible with the concept of goodwill amortisation. The series aims at encouraging public discussion by exploring certain fundamental questions in this area to inform financial statement preparers, reviewers, and users, and aid the capital market.

Please click to access the **article** on the IVSC website.

## Deloitte IFRS communications and publications

| Issuance Date    | Description   |
|------------------|---|
| 06 December 2019 | IFRS in Focus—Closing Out 2019  |
| 10 December 2019 | IFRS on Point—November 2019   |
| 19 December 2019 | A Closer Look—Financial instruments disclosures when applying the amendments to IFRS 9 and IAS 39 on Interest Rate Benchmark Reform |

## Comment letters

|                                | Description   | Receiving party | Comment issued/ deadline |
|--------------------------------|---|-----------------|--------------------------|
| <b>Comment Letters Pending</b> | Tentative Agenda Decision—Player Transfer Payments (IAS 38)                         | IFRS IC         | 14/02/2020               |
|                                | Tentative Agenda Decision—Multiple Tax Consequences of Recovering an Asset (IAS 12) | IFRS IC         | 14/02/2020               |
|                                | Exposure Draft <i>General Presentation and Disclosures</i>                          | IASB            | 30/06/2020               |

## Effective dates

Click [here](#) for upcoming and recent effective dates.

# Key contacts

Global IFRS Leader

Veronica Poole

[ifrsglobalofficeuk@deloitte.co.uk](mailto:ifrsglobalofficeuk@deloitte.co.uk)

## IFRS Centres of Excellence

### Americas

|               |                  |  |
|---------------|------------------|--|
| Argentina     | Fernando Lattuca | <a href="mailto:arifrscoe@deloitte.com">arifrscoe@deloitte.com</a>         |
| Canada        | Karen Higgins    | <a href="mailto:ifrsca@deloitte.ca">ifrsca@deloitte.ca</a>                 |
| Mexico        | Miguel Millan    | <a href="mailto:mx_ifrs_coe@deloittemx.com">mx_ifrs_coe@deloittemx.com</a> |
| United States | Robert Uhl       | <a href="mailto:IAS Plus-us@deloitte.com">IAS Plus-us@deloitte.com</a>     |

### Asia-Pacific

|           |                |  |
|-----------|----------------|--|
| Australia | Anna Crawford  | <a href="mailto:ifrs@deloitte.com.au">ifrs@deloitte.com.au</a> |
| China     | Gordon Lee     | <a href="mailto:ifrs@deloitte.com.cn">ifrs@deloitte.com.cn</a> |
| Japan     | Shinya Iwasaki | <a href="mailto:ifrs@tohatsu.co.jp">ifrs@tohatsu.co.jp</a>     |
| Singapore | James Xu       | <a href="mailto:ifrs-sg@deloitte.com">ifrs-sg@deloitte.com</a> |

### Europe-Africa

|                |                       |  |
|----------------|-----------------------|--|
| Belgium        | Thomas Carlier        | <a href="mailto:ifrs-belgium@deloitte.com">ifrs-belgium@deloitte.com</a>     |
| Denmark        | Jan Peter Larsen      | <a href="mailto:ifrs@deloitte.dk">ifrs@deloitte.dk</a>                       |
| France         | Laurence Rivat        | <a href="mailto:ifrs@deloitte.fr">ifrs@deloitte.fr</a>                       |
| Germany        | Jens Berger           | <a href="mailto:ifrs@deloitte.de">ifrs@deloitte.de</a>                       |
| Italy          | Massimiliano Semprini | <a href="mailto:ifrs-it@deloitte.it">ifrs-it@deloitte.it</a>                 |
| Luxembourg     | Martin Flaunet        | <a href="mailto:ifrs@deloitte.lu">ifrs@deloitte.lu</a>                       |
| Netherlands    | Ralph Ter Hoeven      | <a href="mailto:ifrs@deloitte.nl">ifrs@deloitte.nl</a>                       |
| Russia         | Maria Proshina        | <a href="mailto:ifrs@deloitte.ru">ifrs@deloitte.ru</a>                       |
| South Africa   | Nita Ranchod          | <a href="mailto:ifrs@deloitte.co.za">ifrs@deloitte.co.za</a>                 |
| Spain          | José Luis Daroca      | <a href="mailto:ifrs@deloitte.es">ifrs@deloitte.es</a>                       |
| Switzerland    | Nadine Kusche         | <a href="mailto:ifrsdesk@deloitte.ch">ifrsdesk@deloitte.ch</a>               |
| United Kingdom | Elizabeth Chrispin    | <a href="mailto:deloitteifrs@deloitte.co.uk">deloitteifrs@deloitte.co.uk</a> |



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/about](http://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 global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organisation") serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 312,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com).

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organisation") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2020. For information, contact Deloitte Touche Tohmatsu Limited.

Created by CoRe Creative Services. RITM0384852