



IFRS on Point

Financial Reporting Developments and Information from August 2020

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International Headlines

[Board finalises Phase 2 of its IBOR reform project](#)

The International Accounting Standards Board (Board) has published *Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)* addressing issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.

Please click to access the following:

- [Press release](#) on the IFRS Foundation website
- [Project summary](#) on the IFRS Foundation website
- [IFRS in Focus](#) newsletter explaining the amendments on IAS Plus

[Board publishes fourth webinar on ED General Presentation and Disclosures](#)

In December 2019, the Board published Exposure Draft ED/2019/7 *General Presentation and Disclosures* that proposes a new Standard to replace IAS 1. The Board is introducing the ED in a series of webinars.

Please click to access a recording of the **webinar** on the Board website.

[Recording of the webinar on the second comprehensive review of the IFRS for SMEs Standard](#)

On 17 August 2020, the Board offered an English language webinar on the second comprehensive review of the *IFRS for SMEs* Standard, including a Q&A session.

Please click to access **recording of this webinar** on the IFRS Foundation website.

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

Board member discusses the second comprehensive review of the *IFRS for SMEs* Standard

Board member Darrel Scott has issued an article discussing the review of the *IFRS for SMEs* Standard and his views on alignment with full IFRS Standards.

Please click to access **the article** on the IFRS Foundation website.

IFRS Foundation publishes IFRS Taxonomy Update

The IFRS Foundation has published *IFRS Taxonomy 2020—Covid-19-Related Rent Concessions (Amendment to IFRS 16)*.

Please click to access **press release** on the IFRS Foundation website.

Board posts webinar on the IFRS Taxonomy 2020

The Board has posted a webinar, hosted by Board member Ann Tarca and technical staff Vivek Baid, that provides a short introduction to the IFRS Taxonomy 2020 and an overview of changes from the 2019 taxonomy.

Please click to access **press release** on the IFRS Foundation website.

ITCG meeting summary (July 2020)

The Board has published the summary of the IFRS Taxonomy Consultative Group (ITCG) meeting held on 28 July 2020.

The ITCG discussed the following:

- IFRS Taxonomy content: tagging comparative information reported in accordance with a superseded IFRS Standard
- Technical updates to the IFRS Taxonomy

Please click to access **meeting summary** on the IFRS Foundation website.

IFRS Foundation publishes revised Due Process Handbook

The Trustees of the IFRS Foundation have issued an updated IFRS Foundation Due Process Handbook. Key changes regard establishing that the explanatory material in the agenda decisions published by the IFRS Interpretations Committee derives its authority from the IFRS Standards themselves and is required of application. An additional due process step has been added which requires the Board members to indicate whether they object to the IFRS interpretations Committee conclusion that a standard-setting project should not be added to the work plan and the conclusion that the agenda decision does not add or change requirements in IFRS Standards. If four or more Board members object, the decision is not published and the Board decides how to proceed.

The Trustees also amended the Constitution of the IFRS Foundation to reflect the changes to the Due Process Handbook.

Please click to access the following on the IFRS Foundation website:

- **Press release**
- **Revised Due Process Handbook**
- **Amended IFRS Foundation Constitution**
- **Project summary and feedback statement**
- **Article by Alan Beller**, Chairman of the IFRS Foundation Trustees' Due Process Oversight Committee, on the due process and why it matters

Interview with new Board member

Zach Gast from the United States joined the Board at the beginning of August. The Board has released an interview with him where he talks about his first few weeks on the Board and what he's looking forward to in his new job.

Please click to access **the interview** on the IFRS Foundation website.

IFRS Foundation appoints four new IFRS Interpretations Committee members

The Trustees of the IFRS Foundation have announced the appointments of Renata Bandeira, Sophie Massol, Jon Nelson and Donn  Sephton as IFRS Interpretations Committee members. The new members will serve a three-year term which took effect on 1 July 2020.

Please click to access **press release** on the IFRS Foundation website.

EFRAG outreach event in the context of the endorsement process of IBOR Phase 2

Given the urgency of the endorsement of *Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)* issued in August 2020 and the accelerated consultation process, the European Financial Reporting Advisory Group (EFRAG) organises a public outreach event on 7 September 2020 to collect additional views from constituents on the draft endorsement advice.

Please click to access the following on the EFRAG website:

- **More information and registration for the event**
- **Draft endorsement advice**

Summary report of a field-test workshop on the Board's PFS proposals

EFRAG, in close coordination with the European national standard-setters and the Board, is conducting field-tests of the Board proposals included in Exposure Draft ED/2019/7 *General Presentation and Disclosures* published in December 2019. A report is available from a field-test workshop held on 7 July 2020.

Please click to access **more information** on the EFRAG website.

Recording of the Asia-Oceania virtual academic research seminar on primary financial statements

On 21 August 2020, the Board in conjunction with the Australian Accounting Standards Board (AASB) held a virtual research seminar for academics across the Asia-Oceania region. The seminar provided an overview of Exposure Draft ED/2019/7 *General Presentation and Disclosures* and relevant academic literature.

Please click to access **recording of the seminar** on YouTube.

Report on the future of financial reporting and interview with Board member Ann Tarca

Chartered Accountants Australia and New Zealand (CAANZ) has released a report titled *The future of financial reporting*, examining the ways in which digital reporting can reshape the way financial information is used.

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

BIS calls IFRS 17 a "welcome development"

The Financial Stability Institute (FSI) of the Bank for International Settlements (BIS) has published a paper titled *Accounting standards and insurer solvency assessment* with regard to IFRS 17 *Insurance Contracts*.

Please click to access the **paper** on the BIS website.

Updated IPSAS-IFRS Standards alignment dashboard

The International Public Sector Accounting Standards Board (IPSASB), which develops the International Public Sector Accounting Standards (IPSAS) for financial reporting by governments and other public sector entities, has released an updated IPSAS-IFRS Standards alignment dashboard showing how far individual IPSAS are aligned with corresponding IFRS Standards.

Please click to access the **updated alignment dashboard** on the IPSASB website.

Consultation paper on a new ESG disclosure standard

The Chartered Financial Analyst (CFA) Institute is currently developing a voluntary global industry standard to provide greater product transparency and comparability for investors by enabling asset managers to clearly communicate the environmental, social and governance (ESG) related features of their investment products.

Please click to access **more information** on the CFA Institute website.

SASB consults on revised Framework

The Sustainability Accounting Standards Board (SASB) has released proposed revisions to two of its documents—the SASB Conceptual Framework and the SASB Rules of Procedure—for consultation.

Please click to access **more information** on the GlobeNewswire website.

Updates to Deloitte iGAAP manual

Available at dart.deloitte.com/iGAAP [on subscription only]

Added Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A4 Presentation of financial statements	4.3A.3-1	Current/non-current: classification of an overdraft facility with 'lock-box' arrangement – example (entities that have adopted the January 2020 amendments)
A4 Presentation of financial statements	4.3A.5-1	Current/non-current: refinancing of a liability after the reporting period (entities that have adopted the January 2020 amendments)
A4 Presentation of financial statements	4.3A.7-1	Current/non-current: classification of a loan not due to be settled within 12 months after the reporting period but expected to be repaid before the due date – example (entities that have adopted the January 2020 amendments)
A4 Presentation of financial statements	4.3A.11.1-1	Current/non-current: classification of refundable deposits – example (entities that have adopted the January 2020 amendments)
A4 Presentation of financial statements	4.3A.11.2-1	Current/non-current: classification of a callable term loan – example (entities that have adopted the January 2020 amendments)
A4 Presentation of financial statements	4.3A.11.3-1	Current/non-current: classification of non-derivative financial liabilities – example (entities that have adopted the January 2020 amendments)
A31 Earnings per share	5.10.1-1	Effect of the convertible preference shares issued by a joint venture or associate held by the reporting entity on the reporting entity's diluted EPS calculations
B1 Scope	3.4-1	Assessment of accrued operating lease income for impairment
B2 Financial assets	5.2.5-1B	Applying the contractually-linked instruments (CLI) requirements to structures that benefit from a credit enhancement mechanism (either excess spread or overcollateralisation)
B2 Financial assets	5.2.5-1C	Assessing whether a debt instrument is a contractually-linked instrument or a 'non-recourse' instrument
B2 Financial assets	5.2.5-1D	SPPI test – Credit risk assessment when the investment is made subsequent to the issuance date
B6 Measurement	5.2.2-1A	Application of the 90-day rebuttable presumption to purchased loans that are past due at acquisition – example
B6 Measurement	5.2.2.8-1	Application of the 30-day rebuttable presumption to purchased loans that are past due at acquisition – example
B6 Measurement	5.2.5.3-4	Portfolio of purchased credit-impaired financial assets – example
B8 Recognition and derecognition	4.1.1-4	Debt modification: Contingent payment terms
B8 Recognition and derecognition	4.1.1.2-1A	Fees and costs included in the '10 per cent' test for the purposes of assessing a financial liability for derecognition - for entities that have adopted amendment to IFRS 9
B9 Hedge Accounting	3.11.5-2	Cash flow hedge of LIBOR debt swapped into inflation-linked debt – lack of economic relationship – example
B9 Hedge Accounting	3.11.5-3	Fair value hedge of fixed rate debt swapped into inflation-linked debt – lack of economic relationship

Chapter	Reference	Deloitte guidance title
B9 Hedge Accounting	6.5.2-1B	Basis adjustment for a hedged forecast transaction that results in the recognition of a non-financial liability
B11 Disclosure	4.3.2.5-1	Example of disclosures on uncertainty arising from interest rate benchmark reform for non-financial entity
B11 Disclosure	4.3.2.5-2	Example of disclosures on uncertainty arising from interest rate benchmark reform for financial entity (bank)

Amended Deloitte guidance

Chapter	Reference	Deloitte guidance title
A13 Income Taxes	4.2.6.5-2	Tax base of a warrant when the future tax consequences depend on the manner of settlement – example
B3 Financial liabilities and equity	6-12	Classification of derivatives over own equity
B6 Measurement	4.1-3	Application of the effective interest rate for financial assets subject to impairment – example
B9 Hedge Accounting	3.11.5-1	Hedging inflation risk in the nominal rate debt

Reserved Deloitte guidance

Chapter	Reference	Deloitte guidance title
B8 Recognition and derecognition	4.3-4	Inclusion of the consideration paid in shares in '10 per cent' test when part of the liability is extinguished through the issue of equity and the remaining part of the liability is modified

Deloitte IFRS communications and publications

Issuance Date	Description
05 August 2020	<i>IFRS on Point — July 2020</i>

Comment letters

	Description	Receiving party	Comment issued/ deadline
Comment letter issued	Integrated Reporting Framework Revision 2020	International Integrated Reporting Council (IIRC)	18/08/2020
Comment Letters Pending	Exposure Draft ED/2019/6—<i>General Presentation and Disclosures</i>	IASB	30/09/2020
	Tentative Agenda Decision—<i>Supply Chain Financing Arrangements—Reverse Factoring</i>	IFRS Interpretations Committee	30/09/2020
	Request for Information—<i>Comprehensive Review of the IFRS for SMEs Standard</i>	IASB	27/10/2020
	Discussion Paper DP/2020/1—<i>Business Combinations—Disclosures, Goodwill and Impairment</i>	IASB	31/12/2020

Effective dates

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

The Deloitte Accounting Research Tool (DART) is a comprehensive online library of accounting and financial disclosures literature. **iGAAP on DART** allows access to the full IFRS Standards, linking to and from:

- Deloitte's authoritative, up-to-date, iGAAP manuals which provide guidance for reporting under IFRS Standards; and
- Model financial statements for entities reporting under IFRS Standards.

To apply for a subscription to DART, click **here** to start the application process and select the iGAAP package.

For more information about DART, including pricing of the subscription packages, click **here**.

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