



## IFRS on point

### Financial Reporting Developments and Information from March 2020

---

#### International headlines

#### Updates to Deloitte iGAAP manual

#### Deloitte IFRS communications and publications

#### Comment letters

#### Effective dates

---

### International Headlines

#### [COVID-19 IAS Plus resource page](#)

An IAS Plus resource page on accounting considerations related to the COVID-19 pandemic has been set up. The page includes news items and resources in connection with COVID-19 developments that highlight some of the key accounting and disclosure issues that may arise as a result of COVID-19 in preparing financial statements applying IFRS Standards.

Please click to access the [new resource page](#).

#### [IASB publishes Discussion Paper on Goodwill and Impairment](#)

The International Accounting Standards Board (IASB) has published a Discussion Paper (DP/2020/1) titled *Business Combinations—Disclosures, Goodwill and Impairment*.

Please click to access the following:

- [Press release](#) on the IASB website
- [Discussion Paper](#) on to IASB website
- [IASB Snapshot](#) introducing the DP on the IASB website
- [IFRS in Focus](#) newsletter outlining the key concepts of the DP on the IAS Plus website

For more informing please see the following websites:

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

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

## IASB Board meeting (March 2020)

The IASB met in London on 17-19 March 2020.

The following topics were on the agenda:

- Amendments to IFRS 17 *Insurance Contracts*
- Rate-regulated Activities
- Management Commentary

The meeting was cut to the above three topics because of the COVID-19 pandemic and was held as a video conference.

In the IFRS 17 session, the Board tentatively decided to:

- Defer the effective date of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023
- Extend the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023

Please click to access the following:

- **IASB Update** and post-meeting **podcast** on the IASB website
- **Agenda and related agenda papers** on the IASB website
- **Press release** on the IFRS 17 effective date
- **Updated IASB work plan** on the IASB website
- **Detailed notes** taken by Deloitte observers on the IAS Plus website

## COVID-19 related updates from the IFRS Foundation

The IASB has postponed to May 2020 the publication of several narrow-scope amendments to IFRS Standards originally planned for March and April 2020. The work plan has been updated accordingly.

The IFRS Foundation has also announced that this year's European annual IFRS Foundation conference, which was to be held in Madrid on 29-30 June 2020 will be postponed. The IFRS Foundation is reviewing how to deliver an alternative conference combined with their World Standard-setters Conference in September 2020.

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

## IASB publishes statement on IFRS 9 and COVID-19

The IASB has published a document responding to questions regarding the application of IFRS 9 *Financial Instruments* during the period of enhanced economic uncertainty arising from the COVID-19 pandemic.

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

## IASB releases two podcasts on IFRS 17

The IASB has released two podcasts discussing the developments at the February and March 2020 Board meetings relating to the amendments to IFRS 17 *Insurance Contracts*.

Please click to access the following:

- **Podcast** relating to the February 2020 meeting
- **Podcast** relating to the March 2020 meeting

## Summary of the February 2020 IFRS Foundation Trustees and DPOC meeting

The IASB has published a summary of the Due Process Oversight Committee (DPOC) meeting held in Brussels on 19-20 February 2020.

Please click to access the following:

- **Press release** on the IASB website
- **Full summary** of the IFRS Foundation Trustees and DPOC meeting on the IASB website

### CMAC meeting (March 2020)

The IASB's Capital Market Advisory Committee met via video conference on 26 March.

The following topics were on the agenda:

- Financial Instruments with Characteristics of Equity
- IBOR Reform and its Effect on Financial Reporting
- Management Commentary
- Primary Financial Statements

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

### SMEIG publishes Q&A

The IASB's SME Implementation Group (SMEIG) has published Q&A 35.1 on transition to the *IFRS for SMEs* Standard.

Please click to access the following:

- **Press release** on the IASB website
- **Q&A 35.1** on the IASB website

### IASB issues webcast related to its request for information on the *IFRS for SMEs* Standard

The IASB has issued the first in a series of webcasts related to the Request for Information (RFI) *Comprehensive Review of the IFRS for SMEs Standard* issued on 28 January 2020. This webcast provides an overview of the *IFRS for SMEs* Standard and introduces the RFI.

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

### 2020 IFRS XBRL taxonomy issued

The IFRS Foundation has issued its *2020 IFRS Taxonomy*, based on IFRS Standards as at 1 January 2020, including those issued but not yet effective.

Please click to access the following:

- **Press release** on the IASB website
- **IFRS Taxonomy 2020** page on the IASB website

### 2020 issued and annotated issued IFRS Standards

The annual publications formerly known as the 'Red Book' and the 'Green Book' are now available.

Please click to access the following:

- The books in electronic format for subscribers to **eIFRS Professional**
- The **IASB's web shop** for printed copies of the books

### Seventh IASB research forum—Call for papers extended

The IASB will host its seventh Research Forum on 2-3 November 2020 in Oxford. The deadline for submitting papers has now been extended to 28 May 2020.

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

### IFRS Foundation appoints new IFRS Interpretations Committee member and invites new applicants

The Trustees of the IFRS Foundation have announced the appointment of Dr Jens Freiberg as IFRS Interpretations Committee member. The appointment, effective immediately, is until 30 June 2022.

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

The Trustees of the IFRS Foundation have also invited applications for candidates to fill four vacancies on the IFRS Interpretations Committee. Applications are accepted until 9 April 2020.

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

## **ESMA statement on the accounting implications of the COVID-19 economic support and relief measures**

The European Securities and Markets Authority (ESMA) has issued a public statement on some accounting implications of the economic support and relief measures adopted by EU Member States in response to the COVID-19 outbreak. The measures include moratoria on repayment of loans and have an impact on the calculation of expected credit losses in accordance with IFRS 9.

The European Banking Authority (EBA) has also issued a related statement regarding the prudential framework and accounting implications of COVID-19.

Please click to access the following:

- **ESMA statement** on the ESMA website
- **EBA statement** on the EBA website

## **EFRAG sends letter to the IASB on IFRS 17 amendments**

The European Financial Reporting Advisory Group (EFRAG) has sent a letter sincerely appreciating the IASB's efforts to address issues associated with the implementation of IFRS 17 identified in a previous letter. However, while EFRAG is appreciative of the changes made, this new letter expresses regret that some of the conclusions reached by the Board deviate from EFRAG's recommendations. In particular, EFRAG refers to the annual cohort requirement.

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

## **EFRAG publishes pre-consultation document on IBOR ED**

The IASB expects to issue an Exposure Draft (ED) on its project on the IBOR reform Phase 2 during April 2020 with a comment period of 45 days. In order to maximise the period during which its constituents can comment on its draft comment, EFRAG has now published a pre-consultation document on the ED.

Please click to access the following:

- **Press release** on the EFRAG website
- **Pre-consultation document** on the EFRAG website

## **EFRAG requests the IASB to extend its consultation periods**

EFRAG have sent a letter to the IASB requesting an extension to the public consultation phase of recent or soon-to-be issued publications due to the effects of the coronavirus disease pandemic.

Please click to access the **press release** on the EFRAG web site.

## **EFRAG to conduct field-testing on the IASB's Primary Financial Statements project**

EFRAG, in coordination with European national standard-setters and the IASB, will conduct field-testing on the IASB's Exposure Draft ED/2019/7 *General Presentation and Disclosures*, and invites companies to participate in the field-testing.

The field-testing will help identify potential implementation and application concerns and determine:

- whether there is a need for additional guidance, and
- to estimate the effort required to implement and apply the proposals.

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

## **European Lab seeks members for its second task force**

EFRAG has published a call for candidates to become members of a new European Lab project task force on reporting of non-financial risks and opportunities and linkage to the business model. The deadline for applications is 10 April 2020.

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

## **Coronavirus crisis: Implications on reporting and auditing and resources for accountants**

Accountancy Europe has released an article exploring accounting effects from the coronavirus. In addition, Accountancy Europe is collecting all resources relevant for European professional accountants.

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

## Japan updates list of 'designated' IFRS Standards

The Financial Services Agency (FSA) of Japan has announced that additional IFRS Standards issued up until 31 December 2019 were designated for use by companies voluntarily applying IFRS Standards in Japan.

For more information, see the [press release](#) (in Japanese only) on the FSA website.

## Joint goodwill research paper by ASBJ and HKICPA

The Accounting Standards Board of Japan (ASBJ) and the Hong Kong Institute of Certified Public Accountants (HKICPA) have jointly published a research paper titled *Goodwill: Improvements to Subsequent Accounting and an Update of the Quantitative Study*.

Please click to access the [research paper](#) on the ASBJ website.

## AASB FAQs on the impact of the coronavirus on financial reporting

The Australian Accounting Standards Board (AASB), together with the Australian Auditing and Assurance Standards Board (AUASB), has released *The Impact of Coronavirus on Financial Reporting and the Auditor's Considerations* describing the key considerations and impacts on financial reporting and auditing arising from the Coronavirus (COVID-19) pandemic. The publication is in the form of frequently asked questions.

Please click to access the [FAQs](#) on the AASB website.

## Updated IPSAS-IFRS 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 alignment dashboard showing how far individual IPSAS are aligned with corresponding IFRS Standards.

Please click to access the [updated alignment dashboard](#) prepared for the March 2020 IPSASB meeting on the IPSASB website.

## Recent sustainability and integrated reporting developments

- The Climate Disclosure Standards Board (CDSB) is following the review of the EU Non-Financial Reporting Directive closely and proposes eight changes to ensure that the Directive is fit for purpose to achieve Europe's ambitious sustainable finance goals.

Please click for further information on the [CDSB website](#).

- The CDSB and the Carbon Disclosure Project (CDP) have jointly released an environmental reporting handbook to help companies improve their disclosure in line with the EU Non-Financial Reporting Directive. The EU Environmental Reporting Handbook helps companies learn from their peers to better understand how to report in line with the Directive.

Please click for further information on the [CDSB website](#).

- The Sustainability Accounting Standards Board (SASB) has launched the SASB Implementation Primer, an online resource for companies seeking to incorporate SASB standards into their core communications with investors.

Please click to access the [press release](#) and the [implementation primer](#) on the SASB website.

- The Integrated Reporting Committee (IRC) of South Africa has updated its starter's guide initially published in 2014, to provide organisations with practical suggestions on preparing an integrated report. The guide is aligned with the King IV Report on Corporate Governance for South Africa and presents updated examples five years after publication of the International <IR> Framework.

Please click to access [Preparing an Integrated Report – A Starter's Guide \(Updated\)](#) on the IRC website.

- The Institute of Chartered Accountants of India (ICAI) has set up a Sustainability Accounting Standards Board to help companies in achieving sustainable development goals. The Board will set standards that will establish disclosure requirements in line with the sustainable development goals of the United Nations.

Please click to access the **initial composition of the Board** on the ICAI website.

- Deloitte Norway studied the annual and sustainability reports of the 50 largest companies headquartered in the country, analysing their maturity in terms of integrated reporting and sustainability reporting.

Please click to access the **Greenwashing or measurable results? report** on the <IR> website.

- Deloitte UK has commented on the CDSB consultation on advancing nature-related financial disclosures. Deloitte encourages the CDSB to work with others to push with urgency for consolidation and harmonisation of standards and frameworks, in order to have one definitive global standard on climate reporting.

Please click to access the **comment letter** on the IAS Plus website.

- The International Auditing and Assurance Standards Board (IAASB) is consulting on proposed guidance *Extended External Reporting Assurance*. The purpose of the guidance is to promote consistent high-quality application of ISAE 3000 so as to strengthen the influence of extended external reporting (EER) assurance engagements on the quality of EER reports, enhance user trust in the resulting assurance reports, and engender greater confidence in the credibility of, trust in and reliance upon EER reports by their intended users.

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

## Updates to Deloitte iGAAP manual

**Available at [dart.deloitte.com/iGAAP](https://dart.deloitte.com/iGAAP) [available on subscription only]**

### *Added Deloitte guidance*

A7 Property, plant and equipment	<b>4.2.2.1-2</b>	Depreciation of leasehold land during the construction of a building for own use
A7 Property, plant and equipment	<b>7.6.7-1A</b>	Useful life of non-removable leasehold improvements (entities that have adopted IFRS 16)
A8 Investment property	<b>2.3.4-1</b>	Classification of properties subject to inter-group rental agreements
A8 Investment property	<b>4.1-3</b>	Depreciation of leasehold land during the construction of an investment property – investment property measured using the cost model
A9 Intangible Assets	<b>3.3.8-1</b>	Carbon offsets acquired for voluntary offsetting of carbon dioxide equivalent (CO <sub>2</sub> e) emissions
A9 Intangible Assets	<b>3.3.8-2</b>	Carbon offsets - acquisition with immediate retirement – example
A9 Intangible Assets	<b>3.3.8-3</b>	Holdings of carbon offsets – example
A11 Inventories	<b>3.2.3.3-3</b>	Depreciation of the right-of-use asset on leasehold land during the development of a property for sale during the development of a property for sale
A14 Revenue from contracts with customers	<b>8.3-3</b>	Application of the discount allocation guidance to goods or services sold as part of a bundle
A14 Revenue from contracts with customers	<b>8.3-4</b>	Application of the discount allocation guidance to goods or services not sold separately – example

A14 Revenue from contracts with customers	<b>11.1-3</b>	Recognition of revenue for a right to use licence and ongoing services that are not distinct
A17 Leases	<b>3.5-2</b>	Leasehold land presented as inventories – scope of IFRS 16
A17 Leases	<b>3.9-1</b>	Lease at a government-subsidised (below-market) rate – example
A17 Leases	<b>4.2.5-1</b>	Identifying a lease in a contract conveying multiple assets
A17 Leases	<b>5.1.1-1</b>	Exemption from a restoration obligation associated with a lease contract – example
A17 Leases	<b>6.2-1</b>	Enforceable term of a cancellable or renewable lease
A17 Leases	<b>6.2-2</b>	Cost of abandoning leasehold improvements as a more than insignificant penalty
A17 Leases	<b>8.4.1.2-1</b>	Costs to prepare a leased asset for its intended use
A17 Leases	<b>8.4.2.2-2</b>	Date at which the discount rate is determined
A17 Leases	<b>8.5.1.3-1</b>	Leasehold land presented as inventories – determination of useful life and residual value
A17 Leases	<b>14.6.3.5-1C</b>	Capitalised costs relating to an operating lease upon transition to IFRS 16
A25 Business combinations	<b>4.3.2.3-2</b>	Application of the concentration test: acquired assets include a contract with a lease and non-lease component – example
A25 Business combinations	<b>4.3.4.1-1</b>	Substantive process – example
B1 Scope	<b>2.3.3-2</b>	Option to account for financial guarantee contract under IFRS 9 or IFRS 17
B2 Financial assets	<b>5.2.15-7</b>	Contractually linked instruments with a reverse repo asset as the underlying pool of investments – example
B6 Measurement	<b>4.1-3</b>	Application of the effective interest rate for financial assets subject to impairment – example
B6 Measurement	<b>5.2.2.9-1</b>	Determining the credit risk at initial recognition for a group of financial assets that are identical
B6 Measurement	<b>5.3-1B</b>	Contractual right of offset represents credit enhancement – example
B6 Measurement	<b>5.3-1C</b>	Contract liability represents credit enhancement for trade receivable arising from the same contract – example
B6 Measurement	<b>5.3-3</b>	Accounting for financial guarantee contracts held and interaction with IFRS 9 expected credit loss model – example
B7 Fair value measurement of financial instruments	<b>7.3-2C</b>	Day 1 P&L when a level 2 valuation includes some unobservable inputs
B8 Recognition and derecognition	<b>3.2-1A</b>	Accounting treatment by the lender when modification fees are charged to the borrower

B8 Recognition and derecognition	<b>3.3.1-3</b>	Determining the amortised cost of a financial asset on derecognition when the financial asset is part of a group of financial assets that are identical
B8 Recognition and derecognition	<b>3.9.1-1</b>	Subsequent sale of investment in SPE notes by transferor
B8 Recognition and derecognition	<b>3.9.1-2</b>	Subsequent sale of the junior note in an SPE by the transferor – example
B8 Recognition and derecognition	<b>3.11-2</b>	Subsequent sale of unrecognised asset by the transferee with retention of TRS
B8 Recognition and derecognition	<b>3.11-3</b>	Subsequent sale of unrecognised asset by the transferee with retention of TRS - example
B9 Hedge accounting	<b>2.1.2-3</b>	Hedging with a seagull option
B9 Hedge accounting	<b>3.11.1.1-1</b>	Cash flow hedge of foreign currency risk on a highly probable forecast transaction
B9 Hedge accounting	<b>3.11.1.2-2</b>	Ineligible fair value hedge of foreign currency risk of a non-financial item – example
Appendix B1 Hedge accounting under IAS 39	<b>7.4.2-2</b>	End of the relief from discontinuing hedge accounting in IAS 39:102G

*Amended Deloitte guidance*

B3 Financial liabilities and equity	<b>6-7</b>	Derivatives over own equity: written put option over equity of subsidiary – example
B8 Recognition and derecognition	<b>3.2.4-1</b>	Assessment of whether a modification or a renegotiation of a financial asset is substantial
B8 Recognition and derecognition	<b>4.1-3</b>	Resetting the contractual terms of a debt instrument to market conditions with no break cost - example
B9 Hedge accounting	<b>2.1.2-1</b>	Identifying net written options
B9 Hedge accounting	<b>2.1.2-2</b>	Hedging with a collar – example
C3 Financial liabilities and equity	<b>6-7</b>	Derivatives over own equity: written put option over equity of subsidiary – example

*Renumbered Deloitte guidance*

A7 Property, plant and equipment	<b>7.6.7-1B</b>	Leasehold improvements (entities that have adopted IFRS 16) – example
B6 Measurement	<b>5.3-1A</b>	Including cash flows from credit enhancements in the measurement of expected credit losses
B8 Recognition and derecognition	<b>3.2-1B</b>	Presentation of modification gains and losses
B9 Hedge accounting	<b>3.11.1.2-1</b>	Fair value hedge of foreign currency risk on non-financial assets



## Deloitte IFRS communications and publications

Issuance Date	Description
11 March 2020	<i>IFRS on Point</i> —February 2020
24 March 2020	<i>IFRS in Focus</i> —IASB publishes Discussion Paper on <i>Business Combinations—Disclosures, Goodwill and Impairment</i>
28 March 2020	<i>IFRS in Focus</i> —Accounting considerations related to the Coronavirus 2019 Disease
31 March 2020	<i>IFRS in Focus</i> —Expected credit loss accounting considerations related to Coronavirus Disease 2019

## Comment letters

	Description	Receiving party	Comment issued/ deadline
Comment Letters Pending	Tentative Agenda Decision—Deferred Tax Related to an Investment in a Subsidiary (IAS 12)	IFRS IC	13/05/2020
	Tentative Agenda Decision and comment letters—Sale and Leaseback with Variable Payments (IFRS 16)	IFRS IC	13/05/2020
	Exposure Draft— <i>General Presentation and Disclosures</i>	IASB	30/06/2020
	Request for Information— <i>Comprehensive Review of the IFRS for SMEs Standard</i>	IASB	27/07/2020
	Discussion Paper— <i>Business Combinations, Disclosures, Goodwill and Impairment</i>	IASB	15/09/2020

## Effective dates

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

# Key contacts

## Global IFRS Leader

Veronica Poole

ifrsglobalofficeuk@deloitte.co.uk

---

### IFRS Centres of Excellence

#### Americas

Argentina	Fernando Lattuca	arifrscoe@deloitte.com
Canada	Karen Higgins	ifrsca@deloitte.ca
Mexico	Miguel Millan	mx_ifrs_coe@deloittemx.com
United States	Robert Uhl	IAS Plus-us@deloitte.com

#### Asia-Pacific

Australia	Anna Crawford	ifrs@deloitte.com.au
China	Gordon Lee	ifrs@deloitte.com.cn
Japan	Shinya Iwasaki	ifrs@tohmatsumi.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	Martin Flaunet	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	José Luis Daroca	ifrs@deloitte.es
Switzerland	Nadine Kusche	ifrsdesk@deloitte.ch
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 (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.