



IFRS on Point

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Board publishes Request for Information on the Post-implementation Review of IFRS 9

The International Accounting Standards Board (Board) has issued a Request for Information (Rfi) seeking comments from stakeholders to identify:

- Whether the classification and measurement requirements in IFRS 9 provide information that is useful to users of financial statements
- Whether there are requirements that are difficult to implement and may prevent the consistent implementation of the Standard
- Whether unexpected costs have arisen in connection with applying or enforcing the Standard

Please click to access the following:

- **Request for Information** on the IFRS Foundation website
- **Press release** on the IFRS Foundation website
- **IFRS in Focus** newsletter on IAS Plus

Board meeting (September 2021)

The Board met on Monday 20, Tuesday 21, Thursday 23 and Friday 24 September 2021. The following topics were discussed:

- Board work plan update
- Post-implementation Review of IFRS 9—Classification and Measurement
- Dynamic Risk Management
- Financial Instruments with Characteristics of Equity
- Goodwill and Impairment
- Extractive Activities
- Primary Financial Statements

Please click to access the following:

- **IASB Update** and **post-meeting podcast** on the IFRS Foundation website
- **Agenda and related agenda papers** on the IFRS Foundation website
- **Work plan analysis** on IAS Plus
- **Detailed meeting summaries** taken by Deloitte observers on IAS Plus

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

IFRS Interpretations Committee meeting (September 2021)

The IFRS Interpretations Committee (Committee) met on Tuesday 14 and Wednesday 15 September 2021.

The Committee published two new tentative agenda decisions, finalised two agenda decisions and gave input on a Board project.

Tentative agenda decisions

- IAS 7 *Statement of Cash Flows*—Demand Deposits with Restrictions on Use
- IFRS 9 *Financial Instruments*—Cash Received via Electronic Transfer as Settlement for a Financial Asset

Agenda decisions finalised

- IFRS 16 *Leases*—Non-refundable Value Added Tax on Lease Payments
- IAS 32 *Financial Instruments: Presentation*—Accounting for Warrants that are Classified as Liabilities on Initial Recognition

Other Matters

- Lease Liability in a Sale and Leaseback

Please click to access the following:

- **IFRIC Update** on the IFRS Foundation website
- **Agenda and related papers** on the IFRS Foundation website
- **Detailed notes** taken by Deloitte observers on IAS Plus

ASAF meeting (October 2021)

The Accounting Standards Advisory Forum (ASAF) met via video conference on 1 October 2021.

The following topics were discussed:

- Equity Method
- Management Commentary
- Primary Financial Statements
- Rate-regulated Activities

Please click to access the **agenda, related papers and the recordings of the meeting** on the IFRS Foundation website.

Trustees decision on the ISSB expected in October

The IFRS Foundation Trustees held a video conference on 20 September 2021.

The Trustees were provided with a briefing on the work of the Technical Readiness Working Group, which included the planning for the appropriate transfer of technical expertise, content and resources to the proposed International Sustainability Standards Board (ISSB) and steps taken in order to provide the proposed ISSB with a 'running start'. In addition, the Trustees were updated on the capital funding and other support received from jurisdictions, as well as feedback received on the proposed amendments to the IFRS Foundation Constitution.

The next meeting is scheduled for the week of 18 October 2021. During that meeting, the Trustees are expected to make a final determination about establishing the new ISSB.

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

Board Chairman addresses WSS meeting

Board Chairman Andreas Barckow delivered his inaugural speech at the World Standard Setters (WSS) conference. His key topics were his first impressions in his new role as Board Chairman, the Board's agenda for the coming years, and the relationship between the Board and national standard-setters.

Please click to access a **transcript** of Mr Barckow's speech on the IFRS Foundation website.

Board publishes *Investor Perspectives* article on disclosures in financial statements

The Board has issued the latest issue of *Investor Perspectives*. In this edition, Board member Nick Anderson discusses the new approach to developing and drafting disclosure requirements in IFRS Standards.

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

- **Press release**
- ***Investor Perspectives* article**

Interview with new Board member

Bertrand Perrin from France joined the Board at the beginning of July 2021. The IFRS Foundation has released an interview where he talks about his first few weeks on the Board, the role financial reporting plays in the global economy, and what he is looking forward to in his new job.

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

ASBJ paper on the equity method of accounting

The Accounting Standards Board of Japan (ASBJ) has published a paper titled *Perspectives on the Equity Method of Accounting*.

The paper proposes principles that would clarify when to focus on the aspect of one-line consolidation and when to focus on the aspect of a measurement basis to address the current practical issues arising from applying the equity method of accounting, with the understanding that the existing requirements in IAS 28 have both aspects of one-line consolidation and a measurement basis.

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

AASB research into executive remuneration disclosure requirements

The staff of the Australian Accounting Standards Board (AASB) has published a paper titled *Review of Executive Remuneration Disclosure Requirements*.

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

IVSC perspectives paper on intangible assets

The International Valuation Standards Council (IVSC) has published a perspectives paper titled *Time to get Tangible about Intangible Assets* that notes that despite the importance of intangible assets to the capital markets, only a small percentage are recognised on balance sheets.

Please click to access the **press release** on the IVSC's website.

Call for papers—third IPSASB research forum

In preparation of its third research forum, which will be co-hosted by the Comparative International Governmental Accounting Research Network (CIGAR) at its June 2022 conference, the International Public Sector Accounting Standards Board (IPSASB) is calling for scholarly contributions from the academic community.

The research areas of interest are:

- Research on practical IPSAS implementation challenges
- Research on adoption and implementation of specific IPSAS
- Broad future focused research

Please click to access **more information and the call papers** on the IPSASB website.

IFAC calls on stakeholders to prepare now for global sustainability reporting standards

The International Federation of Accountants (IFAC) published a framework for implementing global sustainability standards at the local level. It focuses on the May 2021 IFAC 'building blocks approach'. IFAC believes that jurisdictions must begin examining how global standards (that the envisioned ISSB would develop) can fit together with sustainability-related reporting requirements set at the jurisdictional level.

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

IFAC calls on G20 leaders to focus on sustainability reporting

IFAC has released a paper titled *Four themes, two actions, one goal: G20 Call to Action 2021* urging G20 leaders to continue their commitment to sustainability, inclusion, prosperity, and global collaboration.

Please click to access **Call to Action** on the IFAC website.

XRB representative introduces ambitious New Zealand climate standard at IFASS meeting

At the International Forum of Accounting Standard Setters (IFASS), the New Zealand External Reporting Board (XRB) offered insights on the forthcoming climate reporting standard that is being developed by the XRB.

Please click to access **more information** on the XRB climate standard-setting on the XRB website.

Germany and Japan offer to host the ISSB headquarters

Two new offers to host the headquarters of the ISSB have been made public.

The German offer, which is supported by 185 companies and organisations, notes that Frankfurt is well positioned to host the headquarters of the ISSB as it is embedded in an ecosystem driving sustainable finance and business, is home to international institutions and organisations and headquarters many international companies.

Please click to access the following on the Frankfurt Main Finance website:

- **Press release** (German language only)
- **Application letter**
- **Application presentation**
- **List of supporters**

The Japanese application notes the good cooperation already in place with the IFRS Foundation through the Tokyo Liaison Office, which could be leveraged to support the ISSB in expanding its engagement with stakeholders in the Asia-Oceania region. The letter also stresses the willingness to provide financial and technical support.

Please click to access the **application letter** on the ASBJ website.

Other sustainability and integrated reporting developments

- As part of the UK's G7 2021 presidency, the UK government has set up an independent Impact Taskforce (ITF) to develop solutions for a sustainable and inclusive recovery from the COVID-19 crisis. An **announcement of the ITF** and a **list of members** are available on the Global Steering Group for Impact Investment website.
- The United Nations Sustainable Stock Exchanges (SSE) initiative has launched a new *Action Plan to Make Markets Climate Resilient* and a *Model Guidance on Climate Disclosure*. Both publications can be accessed on the **SSE website**.
- The European Financial Reporting Advisory Group (EFRAG) announced that the EFRAG task force on European sustainability reporting standards and Shift have concluded a statement of cooperation benefiting from Shift's experience in the human rights domain in the development of draft European sustainability reporting standards. Please see the EFRAG press release **here**.
- EFRAG's task force on sustainability reporting has released a working paper of the prototype for the climate standard they are working on. The paper is for information only and not open for public comments. Please click to access the paper **here**.
- The Value Reporting Foundation (VRF) has published an eight-step guide to the Sustainability Accounting Standards Board (SASB) standards disclosure process. The guide was created to explain how one does practically accomplish releasing an initial SASB standards disclosure. Please click to **access the guide** on the SASB website.
- The Integrated Reporting Committee (IRC) of South Africa has updated its *Governance Information Paper* for the changes in the revised <IR> Framework. It includes a new section, with examples, of the processes involved in the preparation an integrated report. Please click to access the paper **here**.
- IFAC has released a statement on climate change information and the 2021 reporting cycle noting that professional accountants have an active role to play in determining the way climate change information is reported in the upcoming 2021 reporting cycle and is enhanced in future years. Please click to access the statement **here**.

- The Climate Disclosure Standards Board (CDSB) has released guidance and an online course to help entities disclose water-related financial information to investors. Please click for more information [here](#).
- The Value Balancing Alliance (VBA) has published a position paper on the standardisation of disclosure requirements. The paper can be accessed on the [VBA website](#).
- The Center for Audit Quality (CAQ) of the American Institute of Certified Public Accountants (AICPA) has looked at the most recent publicly available ESG data for S&P 500 companies. They found that 95% of S&P 500 companies had detailed ESG information publicly available. Please click to see their findings [here](#).
- The Chartered Institute of Public Finance and Accountancy (CIPFA) has undertaken research that shows that more than half (56%) of public sector organisations do not currently report on their climate impact, i.e. the public sector lags behind the private sector on climate reporting. **More information** is available on the CIPFA website.
- The European Federation of Accountants and Auditors for SMEs (EFAA) has published *What SMPs and SMEs Need to Know About Sustainability Reporting*. Please click to **access the publication** on the EFAA website.
- The CapitalsCoalition has consulted on a methodology promoting standardised natural capital accounting for business. Please click for more information [here](#).
- The Financial Reporting Lab of the UK Financial Reporting Council (FRC) has published its latest project report on reporting on risks, uncertainties, opportunities and scenarios. It outlines what investors want to understand from corporate reporting on risks, uncertainties, opportunities and the use of scenarios. The report can be accessed [here](#).
- The Swiss Federal Council has decided on parameters for the future mandatory climate reporting by large Swiss companies. The Federal Department of Finance is to prepare a consultation draft by summer 2022. Please see the press release [here](#).
- The Singapore Exchange (SGX) is proposing a roadmap for climate-related disclosures to be made mandatory in issuers' sustainability reports amid urgent demand for such information from lenders, investors and other key stakeholders. More information is available on the [SGX website](#).

Updates to Deloitte iGAAP manual

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

Added Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A17 Leases	8.5.2.12-1	Arrangements involving a 'minimum annual guarantee' payment structure
A17 Leases	11.2.10-1	Exercise of a termination option in an operating lease arrangement – example
A21 Statement of cash flows	3.2.2-1	Presentation of cash flows on derivatives designated in hedge accounting relationships and economic hedges
A21 Statement of cash flows	3.2.3-1	Net presentation of cash flows on multiple derivatives
A21 Statement of cash flows	5.3.2-1	Classification of cash flows on derivatives which are economic hedges
B3 Financial liabilities and equity	3.11-3	Classification of non-redeemable preference shares with embedded conversion option

Amended Deloitte Guidance

Chapter	Reference	Deloitte guidance title
B4 Derivatives	5.2.1-1	Presentation in profit or loss of fair value gains and losses on derivatives designated in hedge accounting relationships

Deloitte IFRS communications and publications

Issuance Date	Description
3 September 2021	IFRS on Point—August 2021
4 October 2021	IFRS in Focus—IASB seeks views on the post-implementation review of the IFRS 9 classification and measurement requirements

Comment letters

	Description	Receiving party	Comment letter issued/deadline
Comment letters submitted	Request for Information— <i>Third Agenda Consultation</i>	IASB	24/09/2021
	Exposure Draft: ED/2021/8—<i>Initial Application of IFRS 17 and IFRS 9—Comparative Information</i>	IASB	27/09/2021
Comment letters pending	Exposure Draft: ED/2021/6—<i>Management Commentary</i>	IASB	23/11/2021
	Tentative Agenda Decision: <i>Cash Received via Electronic Transfer as Settlement for a Financial Asset (IFRS 9)</i>	IFRS IC	25/11/2021
	Tentative Agenda Decision: <i>Demand Deposits with Restrictions on Use (IAS 7)</i>	IFRS IC	25/11/2021
	Exposure Draft: ED/2021/3 <i>Disclosure Requirements in IFRS Standards—A Pilot Approach</i>	IASB	12/01/2022
	Request for Information: <i>Post-implementation Review of IFRS 9—Classification and Measurement</i>	IASB	28/01/2022
	Exposure Draft: ED/2021/7 <i>Subsidiaries without Public Accountability: Disclosures</i>	IASB	31/01/2022

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
- 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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