



## IFRS on Point

### Financial and Sustainability Reporting Developments and Information from October 2022

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#### International headlines

#### Updates to Deloitte iGAAP manual

#### Deloitte IFRS communications and publications

#### Comment letters

#### Effective dates

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#### International Headlines

##### **IASB finalises amendments to IAS 1 regarding the classification of liabilities with covenants**

The International Accounting Standards Board (IASB) has published *Non-current Liabilities with Covenants (Amendments to IAS 1)* to specify that only covenants an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or non-current.

An entity is required to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The amendments are applied retrospectively (applying IAS 8) and are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The amendments defer the effective date of the amendments to IAS 1 titled *Classification of Liabilities as Current or Non-current* published in January 2020 by one year to annual reporting periods beginning on or after 1 January 2024.

Please click to access the following:

- **Press release** on the IFRS Foundation website
- **iGAAP in Focus** explaining the amendments on IAS Plus

##### **IASB meeting (October 2022)**

The IASB met on 18-20 October 2022.

The following topics were discussed:

- Post-implementation Review (PIR) of IFRS 9—Classification and Measurement
- Rate-regulated Activities
- Disclosure Initiative—Targeted Standards-level Review of Disclosures
- Equity Method
- Contractual Cash Flow Characteristics of Financial Assets
- Goodwill and Impairment
- Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures
- Provisions—Targeted Improvements: Discount rates—Non-performance risk

For more information please see the following websites:

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

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

- Finalisation of IFRS Interpretations Committee agenda decisions
- IFRS Accounting Taxonomy Update
- ISSB Update

Please click to access the following:

- **IASB Update** and **post-meeting podcast** on the IFRS Foundation website
- **Meeting page** with links to the agenda, agenda papers and recordings of the meeting on the IFRS Foundation website
- **Work plan analysis** on IAS Plus
- **Detailed meeting summaries** taken by Deloitte observers on IAS Plus

### **ISSB meeting (October 2022)**

The International Sustainability Standards Board (ISSB) met on 18-21 October 2022.

The following topics were discussed:

- General Sustainability-related Disclosures
- Climate-related Disclosures
- Industry-based Materials
- Consultation on Agenda Priorities

Please click to access the following:

- **ISSB Update** and **post-meeting podcast** on the IFRS Foundation website
- **Meeting page** with links to the agenda, agenda papers and recordings of the meeting on the IFRS Foundation website
- **Work plan analysis** on IAS Plus
- **Detailed meeting summaries** taken by Deloitte observers on IAS Plus

### **IFRS Advisory Council meeting (October 2022)**

The IFRS Advisory Council met on 11-12 October 2022.

The following topics were discussed:

- Update on Trustees' activities
- Update on IASB activities
- Update on ISSB activities
- Feedback from previous Advisory Council meetings
- Update on the IFRS Foundation Monitoring Board activities
- ISSB Agenda Consultation
- Digital financial reporting
- Capacity building
- The IFRS Foundation sustainability strategy

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

### **SMEIG meeting (October 2022)**

The SME Implementation Group (SMEIG) met on 13 October 2022. The following topics were discussed:

- Objective of the second comprehensive review of the *IFRS for SMEs* Accounting Standard
- Concepts and basic principles
- Fair value measurement
- Financial instruments
- Business combinations
- Consolidation package
- Revenue

Please click to access the **meeting page** with links to the agenda, agenda papers and the recording of the meeting on the IFRS Foundation website.

### **SCC meeting (October 2022)**

The Sustainability Consultative Committee (SCC) met on 13 October 2022. The main discussions focused on the feedback on the ISSB exposure drafts, the ISSB agenda consultation, and capacity building in developing and emerging economies.

Please click to access the **meeting page** with links to the agenda and the recording of the meeting on the IFRS Foundation website.

### **DPOC meeting (October 2022)**

The Due Process Oversight Committee (DPOC) met on 26 October 2022. The following topics were discussed:

- IASB matters
- Annual reports on IASB and IFRS Interpretations Committee activities
- ISSB matters
- Developing due process procedures for maintaining and enhancing SASB Standards

Please click to access the **meeting page** with links to the agenda, agenda papers and the recording of the meeting on the IFRS Foundation website.

### **Summary of the ISSB Jurisdictional Working Group September 2022 meeting**

A summary of the September 2022 meeting of the ISSB Jurisdictional Working Group has been published.

The meeting focused on the ongoing bilateral discussions between the ISSB and the European Union as well as the ISSB September 2022 agenda papers.

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

### **Summary of WSS Conference 2022**

The IFRS Foundation has issued a summary of the September 2022 World Standard-setters (WSS) Conference.

The following topics were discussed:

- IASB update
- ISSB work
- *IFRS for SMEs* Accounting Standard consultation
- Primary Financial Statements
- Feedback on the proposed IFRS Sustainability Disclosures Standards

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

- **Conference page** with links to the agenda, agenda papers and recordings of the conference
- **Summary** of the conference

### **Podcast on IFRS Interpretations Committee developments**

The IFRS Foundation has issued a podcast on the developments of the IFRS Interpretations Committee during the third quarter of 2022.

The podcast focused on:

- Lessor forgiveness of lease payments
- Special purpose acquisition companies—Accounting for warrants at acquisition
- Multi-currency groups of insurance contracts
- Non-current liabilities with covenants

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

### **IASB webinars on Primary Financial Statements**

On 14 October 2022, the IASB held two webinars on the latest updates to the Primary Financial Statements project. The webinars discussed the main proposals in ED/2019/7 *General Presentation and Disclosures* and key decisions made during redeliberation up to September 2022.

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

### **IASB webcasts on Dynamic Risk Management**

The IFRS Foundation has released a series of eight webcasts on its Dynamic Risk Management (DRM) project. The series includes:

- Overview of the DRM model (webcast 1)
- Risk management strategy and target profile (webcast 2)
- Current net open risk position (webcast 3)
- Risk mitigation intention and benchmark derivatives (webcast 4)
- Designated derivatives (webcast 5)
- Retrospective assessment and unexpected changes (webcast 6)
- Measurement of the DRM adjustment (webcast 7)
- Walkthrough of illustrative example (webcast 8)

Please click to access the **webcast page** with links to all webcasts on the IFRS Foundation website.

### **IASB workshop on digital financial reporting**

On 18 November 2022, the IASB will offer a workshop that explores issues relating to digital financial reporting and digitalisation of financial reports.

The workshop will discuss:

- What digital reporting is
- The IFRS Accounting Taxonomy
- Digital reporting and standard-setting

Please click to access **more information** on the IFRS Foundation website.

### **IASB announces optional response document for IFRS for SMEs Accounting Standard consultation**

In September 2022, the IASB issued IASB/ED/2022/1 *Third edition of the IFRS for SMEs Accounting Standard* with comments requested by 7 March 2023.

The IASB has now announced an optional response document for stakeholders to submit feedback on the proposals.

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

### **IASB publishes editorial corrections**

The IASB has published the third set of editorial corrections for 2022, relating to IFRS 17.

Editorial corrections do not change the meaning or application of pronouncements, but instead correct inadvertent errors.

Please click to access the **editorial corrections** on the IFRS Foundation website.

### **IFRS Foundation announces new IASB member**

The Trustees of the IFRS Foundation have announced the appointment of Florian Esterer as IASB member. The appointment is for a five-year term and his first term as IASB member will commence in April 2023.

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

### **ISSB appoints Special Advisor to the ISSB Chair**

The ISSB has appointed Ken Shibusawa as special adviser to the ISSB Chair. In this role, Mr Shibusawa will provide strategic counsel to the ISSB Chair with specific focus on jurisdictional matters in relation to the adoption of IFRS Sustainability Disclosure Standards in Japan.

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

### **Membership of ISSB TRG announced**

The IFRS Foundation has published a list of the members of the ISSB Technical Reference Group (TRG).

The TRG consists of the experts of the technical groups of the former Climate Disclosure Standards Board (CDSB) and Value Reporting Foundation (VRF), which were integrated into the IFRS Foundation this year. It will provide technical advice and support to the ISSB and its technical staff, initially for a one-year period.

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

### **New members appointed to the GPF**

The IASB's Global Preparers Forum (GPF) has appointed three new members. The new members are Lily Hu, Patrick Matos and Feifei Wang. They will serve an initial term of five years starting on 1 November 2022.

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

### **IFRS Foundation seeks Trustee applications**

The IFRS Foundation is seeking Trustees from Asia-Oceania, the Americas and Europe for terms beginning on 1 January 2024.

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

### **G7 issues statement on climate disclosures and ISSB's work**

The G7 Finance Ministers and Central Bank Governors have released a statement underlining economic climate actions and its commitment 'to move towards mandatory climate-related financial disclosures that provide consistent and decision-useful information for market participants'. The statement also welcomes the global baseline of sustainability reporting standards currently under development by the ISSB.

Please click to access the **press release** on the G7 presidency website.

### **G20 Finance Ministers and Central Bank Governors statement on upcoming ISSB Standards**

The G20 has issued a summary of the Fourth G20 Finance Ministers and Central Bank Governors meeting held in Washington, DC on 12-13 October 2022.

In particular, the meeting summary notes that "globally consistent data are needed in order to effectively address climate-related financial risks" and that participants are looking "forward to the finalization of standards by the International Sustainability Standards Board (ISSB) in support of globally consistent, comparable and reliable climate-related financial disclosures, and its work beyond climate." In addition, the G20 welcomes "the efforts to achieve interoperability across disclosure frameworks."

Please click to access the **G20 meeting summary** on the G20 website

### **EFRAG conference "Where is Corporate Reporting heading?"**

On 7 December 2022, the European Financial Reporting Advisory Group (EFRAG) will host a conference to debate the new trends in corporate reporting.

High-level speakers from the financial and sustainability reporting sectors will provide their views and share thoughts during three panel discussions on major topics:

- Connectivity: Financial and sustainability in corporate reporting
- Financial Reporting: Challenges ahead
- Sustainability Reporting: Trendsetting the future of corporate reporting

Mairead McGuinness, European Commissioner for Financial Stability, Financial Services and the Capital Markets Union, will deliver the keynote speech.

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

### **FASB and ASBJ hold biannual meeting**

On 10-11 October 2022, the US Financial Accounting Standards Board (FASB) and the Accounting Standards Board of Japan (ASBJ) held a joint meeting in Norwalk.

The two boards informed each other about their respective activities and exchanged views on technical topics in which they both have an interest, including accounting for goodwill, accounting for crypto-assets, and the boundary of financial reporting.

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

### **Research on transition relief in IFRS 16**

The Australian Accounting Standards Board (AASB) and the Malaysian Accounting Standards Board (MASB) have published their joint research report titled *Transition Relief and Ongoing Practical Expedients in IFRS 16 'Leases'*.

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

## IOSCO and IVSC sign statement of cooperation

The International Organization of Securities Commissions (IOSCO) and the International Valuation Standards Council (IVSC) have agreed to collaborate to explore international valuation approaches and the quality of financial information for investors.

Please click to access the following on the IOSCO website:

- [Press release](#)
- [Statement of cooperation](#)

## Updates to Deloitte iGAAP manual

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

### Amended Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A25 Business combinations	12.1.2-1	Is the accounting acquirer in a reverse acquisition required to be a legal entity?

## Deloitte IFRS communications and publications

Issuance Date	Description
03 October 2022	<b>IFRS Model Financial Statements 2022</b>
07 October 2022	<b>IFRS on Point—September 2022</b>

## Comment letters

	Description	Receiving party	Comment letter deadline
Comment letters pending	<b>IASB/ED/2022/1—Third edition of the IFRS for SMEs Accounting Standard</b>	IASB	07/03/2023

## 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 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

In addition, our **Beyond the numbers** volume of iGAAP provides guidance on disclosure requirements and recommendations which businesses must consider in light of the broader environmental, social and governance matters which can significantly drive the value of an entity.

To apply for a subscription to iGAAP on DART, click [here](#) to start the application process and select the iGAAP package.

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