



IFRS on Point

Financial and Sustainability Reporting Developments and Information from August 2023

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International Headlines

IASB publishes amendments to IAS 21 to clarify the accounting when there is a lack of exchangeability

The International Accounting Standards Board (IASB) has published amendments to IAS 21 titled *Lack of Exchangeability* that specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not.

When a currency is not exchangeable at the measurement date, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction at the measurement date between market participants under prevailing economic conditions. In that case, an entity is required to disclose information that enables users of its financial statements to evaluate how the currency's lack of exchangeability affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

Entities are required to apply the amendments for annual reporting periods beginning on or after 1 January 2025 with earlier application permitted.

Please click to access the following:

- **Press release** on the IFRS Foundation website
- **The text of the amendments** on DART [subscribers only]
- **Webcast** explaining the amendments on the IFRS Foundation website
- **iGAAP in Focus** newsletter explaining the amendments on IAS Plus

ISSB meeting (August 2023)

The IASB held a supplementary meeting on 23 August 2023. The IASB discussed the feedback received in response to Exposure Draft *International Tax Reform—Pillar Two Model Rules—Proposed Amendments to the IFRS for SMEs Standard*. The IASB agreed to finalise the proposals in the ED with minor revisions.

Please click to access the following:

- **IASB Update** on the IFRS Foundation website
- **Meeting page** with links to the agenda, agenda papers and recordings of the meeting on the IFRS Foundation website
- **Detailed meeting summaries** on IAS Plus

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

Summary of the June 2023 IFRS Advisory Council meeting

A summary has been published of the IFRS Advisory Council meeting held on 8 June 2023. The Advisory Council discussed the ISSB's Consultation on Agenda Priorities.

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

Key insights from the 2023 IFRS Foundation Conference

Key insights have been published from the 2023 IFRS Foundation Conference held on 26-27 June 2023. The conference featured a gathering of over 550 delegates from 60 countries and provided perspectives on financial reporting and sustainability standards and coincided with the launch of the inaugural IFRS Sustainability Disclosure Standards.

Please click to access the **key insights** on the IFRS Foundation website.

Key takeaways of the ISSB conference on integrated thinking and reporting

Key takeaways have been published of the IFRS Integrated Thinking & Reporting Conference held on 12 June 2023 which brought together industry leaders, standard-setters and academics to share insights and best practices in integrated thinking and reporting.

Please click to access the **key takeaways** on the Integrated Reporting website.

Summary of the June 2023 joint CMAC-GPF meeting

A summary has been published of the joint Capital Markets Advisory Council (CMAC) and Global Preparers Forum (GPF) meeting held on 15-16 June 2023. The following topics were discussed:

- IASB and ISSB update
- Primary Financial Statements
- Provisions—Present obligation recognition criterion
- Climate-related Risks in the Financial Statements
- Amendments to the Classification and Measurement of Financial Instruments
- Business Combinations under Common Control

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

Summary of the July 2023 ITCG meeting

A summary has been published of the IFRS Taxonomy Consultative Group (ITCG) meeting held on 5 July 2023. The following topics were discussed:

- IFRS Accounting Taxonomy—Primary Financial Statements project update and digital representation of management performance measures
- IFRS Sustainability Disclosure Taxonomy—general update
- IFRS Accounting Taxonomy—general improvements, common practice and technology update

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

IASB publishes editorial corrections

The IASB has published a first set of editorial corrections for 2023. The corrections relate to the illustrative examples accompanying the revised version of IFRS 3. 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 ITCG members

The IFRS Foundation has announced the appointments and reappointments of 13 members of the ITCG. All appointments and reappointments take effect from 1 August 2023.

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

IAASB consults on proposed global sustainability assurance standard

The International Auditing and Assurance Standards Board (IAASB) has published proposed International Standard on Sustainability Assurance (ISSA) 5000 *General Requirements for Sustainability Assurance Engagements*.

Please click to access the **exposure draft** on IAASB 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** on IPSASB 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.12.5-1	Current/non-current: classification of a cash-settled share-based payment liability – example (entities that have adopted the January 2020 and October 2022 amendments)
A7 Property, plant and equipment	5.4-1	Application of the exemption for owner-occupied properties to a proportion of a property – example
A13 Income taxes	4.4.6.9-1	Change in temporary difference as a result of a change in the decommissioning provision recognised as part of the cost of asset – example
A15 Employee benefits	9.2.3-1	Attribution of long-term employee benefits to years of service – example
A17 Leases	13.3.2-1	Sale and leaseback transaction with fixed lease payments and sale proceeds at below-market terms – example
A21 Statement of cash flows	5.1.8-1	Presentation of cash flows for an interest-free loan between a parent and a subsidiary
A21 Statement of cash flows	9.2-2	Disclosure of changes in liabilities arising from financing activities in combination with disclosures of changes in other assets and liabilities
A25 Business combinations	8.3.1-1A	Pre-acquisition sales when vendor acquires the business of its customer – example
B1 Scope	2.5-1	Continuous assessment of contracts to buy or sell non-financial items
B1 Scope	3.2-4	Forward contract to buy or sell an acquiree in a business combination – Separate financial statements
B3 Financial liabilities and equity	3.10.8-1	Convertible debt: Option to convert interest amounts into equity – example
B6 Measurement	4.1-2A	Timing of the change in basis for calculating interest revenue by the subsidiary of a parent that prepares interim consolidated financial reports
B8 Recognition and derecognition	3.8.3-1	Trade receivables factoring - example
B8 Recognition and derecognition	3.8.4-1	Exposure to variability in timing and amount of cash flows before and after a transfer of trade receivables – example
B9 Hedge Accounting	5.2.3-3	Hedge accounting with virtual power purchase agreements – example

Amended Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A4 Presentation of financial statements	4.4.4-2	Assessing the presentation of 'reverse factoring' or 'supplier finance' arrangements
A13 Income taxes	5.9B-1	Decommissioning obligations (for entities that have not adopted the May 2021 amendments)
A17 Leases	13.3.1.1-2	Sale and leaseback transaction with fixed lease payments and sale proceeds at fair value – example
A21 Statement of cash flows	5.4.4.2-1	Cash flows resulting from supplier finance arrangements
A29 Separate financial statements	5.2-3	Categorisation of investments in an insurance entity's separate financial statements – example
B1 Scope	2.3.3-1A	Income statement presentation of issued financial guarantee contract
B9 Hedge Accounting	3.12-2	Hedging foreign currency risk of forecast foreign currency debt issuance – example
Appendix B1 Hedge accounting under IAS 39	3.12-1	Hedging foreign currency risk of forecast foreign currency debt issuance
B11 Disclosure	5.2.2.5-1	Disclosure of supplier finance arrangements
C10 Hedge accounting – complex	2.5-1	Hedging foreign currency risk of forecast foreign currency debt issuance
E7 General Requirements for Disclosure of Sustainability-related Financial Information	2.3.2-1	Applying IFRS Sustainability Disclosure Standards with another GAAP
E7 General Requirements for Disclosure of Sustainability-related Financial Information	2.3.3-1	Which entities should apply IFRS Sustainability Disclosure Standards

Deloitte IFRS communications and publications

Issuance Date	Description
04 Aug 2023	IFRS on Point—July 2023
23 Aug 2023	iGAAP in Focus—Financial reporting: IASB amends IAS 21 to clarify when a currency is exchangeable and how to determine the exchange rate when it is not

Comment letters

	Description	Receiving party	Comment letter submitted/deadline
Comment letters submitted	Request for Information—Consultation on Agenda Priorities	ISSB	01/09/2023
Comment letters pending	Proposed Taxonomy—IFRS Sustainability Disclosure Taxonomy	ISSB	26/09/2023
	Request for Information—Post-implementation Review of IFRS 9—Impairment	IASB	27/09/2023
	Request for Information—Post-implementation Review of IFRS 15 Revenue from Contracts with Customers	IASB	27/10/2023

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
- Illustrative financial statements for entities reporting under IFRS Accounting Standards

In addition, our **sustainability reporting** volume of iGAAP provides guidance on disclosure requirements and recommendations which businesses must consider in light of the broader sustainability 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.

For more information about iGAAP on DART, including pricing of the subscription packages, click [here](#).

Key contacts

Global IFRS and Corporate Reporting Leader

Veronica Poole

ifrsglobalofficeuk@deloitte.co.uk

IFRS Centres of Excellence

Americas		
<i>Argentina</i>	Fernando Lattuca	arifrscoe@deloitte.com
<i>Canada</i>	Karen Higgins	ifrsca@deloitte.ca
<i>Mexico</i>	Kevin Nishimura	mx_ifrs_coe@deloittemx.com
<i>United States</i>	Magnus Orrell	iasplus-us@deloitte.com
	Ignacio Perez	iasplus-us@deloitte.com
Asia-Pacific		
<i>Australia</i>	Anna Crawford	ifrs@deloitte.com.au
<i>China</i>	Gordon Lee	ifrs@deloitte.com.cn
<i>Japan</i>	Kazuaki Furuuchi	ifrs@tohatsu.co.jp
<i>Singapore</i>	Lin Leng Soh	ifrs-sg@deloitte.com
Europe-Africa		
<i>Belgium</i>	Thomas Carlier	ifrs-belgium@deloitte.com
<i>Denmark</i>	Søren Nielsen	ifrs@deloitte.dk
<i>France</i>	Irène Piquin Gable	ifrs@deloitte.fr
<i>Germany</i>	Jens Berger	ifrs@deloitte.de
<i>Italy</i>	Massimiliano Semprini	ifrs-it@deloitte.it
<i>Luxembourg</i>	Martin Flaunet	ifrs@deloitte.lu
<i>Netherlands</i>	Ralph Ter Hoeven	ifrs@deloitte.nl
<i>South Africa</i>	Nita Ranchod	ifrs@deloitte.co.za
<i>Spain</i>	Jose Luis Daroca	ifrs@deloitte.es
<i>Sweden</i>	Fredrik Walmeus	seifrs@deloitte.se
<i>Switzerland</i>	Nadine Kusche	ifrsdesk@deloitte.ch
<i>United Kingdom</i>	Elizabeth Chrispin	deloitteifrs@deloitte.co.uk

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