



## IFRS on Point

### Financial Reporting Developments and Information from June 2021

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## International headlines

### Board meeting (June 2021)

The Board met via video conference on 22-23 June 2021. The following topics were discussed:

- Board work plan update
- Equity Method: Identifying the principles in IAS 28 *Investments in Associates and Joint Ventures*
- Goodwill and Impairment
- Primary Financial Statements
- Initial application of IFRS 17 and IFRS 9—Comparative Information
- Maintenance and consistent application:
  - Supplier Finance Arrangements
  - Classification of Debt with Covenants as Current or Non-current (IAS 1)
  - IFRS Interpretations Committee Agenda Decisions

In the session on classification of debt with covenants, the Board tentatively agreed to propose amendments to IAS 1 to specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. Instead, additional disclosures would be required for non-current liabilities subject to such conditions.

In the session on IFRS 17 and IFRS 9, the Board tentatively decided to propose a narrow-scope amendment to IFRS 17. The amendment will introduce an optional classification overlay approach that would address one-time classification differences that may arise in the comparative information that insurers will present on initial application of IFRS 17 and IFRS 9. The Exposure Draft for this amendment is expected at the end of July 2021.

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

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

### IFRS Interpretations Committee meeting (June 2021)

The IFRS Interpretations Committee (Committee) met via video conference on 8-9 June 2021. The Committee discussed two new issues and finalised two agenda decisions:

#### New issues

- IFRS 9 *Financial Instruments* and IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*—TLTRO III Transactions
- IFRS 16 *Leases*—Economic Benefits from Use of a Windfarm

#### Agenda decisions finalised

- IAS 2 *Inventories*—Costs Necessary to Sell Inventories
- IAS 10 *Events after the Reporting Period*—Preparation of Financial Statements when an Entity is No Longer a Going Concern

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 (June 2021)

The Accounting Standards Advisory Forum (ASAF) met via video conference on 28-29 June 2021.

The following topics were on the agenda:

- Business Combinations under Common Control
- Third Agenda Consultation
- Sustainability reporting
- Rate-regulated Activities
- Goodwill and Impairment
- Disclosure Initiative—Targeted Standards-level Review of Disclosures

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

### ITCG meeting (June 2021)

The IFRS Taxonomy Consultative Group (ITCG) met via video conference on 30 June 2021.

The following topics were on the agenda:

- Third Agenda Consultation
- Digital reporting implications for the Exposure Draft ED/2021/3 *Disclosure Requirements in IFRS Standards—A Pilot Approach*
- IFRS Taxonomy content—tagging implicitly reported concepts
- IFRS Taxonomy content—tagging comparative information reported in accordance with a superseded IFRS Standard

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

### **IFRS Foundation Trustees and Due Process Oversight Committee meeting (June 2021)**

The IFRS Foundation Trustees and the Due Process Oversight Committee (DPOC) met via video conference on 15-17 June 2021.

The following items were on the agenda:

- Report of the Chair of the Trustees
- Report of the Executive Director
- Update on sustainability reporting
- Agenda Consultation
- Board Chairman's report
- Committee reports

Following their meeting, the Trustees held their annual meeting with the IFRS Foundation Monitoring Board to discuss the Foundation's operations and strategy.

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

### **Report on the May 2021 IFRS Advisory Council meeting**

A summary report has been released of the meeting of the IFRS Advisory Council held on 11 May 2021.

Please click to access the following:

- **Meeting summary** on the IFRS Foundation website
- **Agenda, meeting papers and recordings** of the meeting on the IFRS Foundation website

### **Webinars of the Board on Exposure Draft on Disclosure Requirements in IFRS Standards**

The Board held the first two in a series of webinars on ED/2021/3 *Disclosure Requirements in IFRS Standards—A Pilot Approach*.

The first webinar provided an overview of the Board's proposals. The second webinar explored in more detail the proposed new approach to developing disclosure requirements in IFRS Standards and included a discussion of the Board's views on comparability, enforceability and electronic reporting.

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

- **Recording of the first webinar**
- **Recording of the second webinar**

### **Workshop of the Board on the Third Agenda Consultation**

The Board, in conjunction with the European Accounting Association (EAA), held a virtual workshop that provided an overview of the Board's Third Agenda Consultation and an update on the Board's current projects.

Please click to access the **recording of the presentations and the slide decks** on the IFRS Foundation website.

### **Research workshop of the Board on the management commentary proposals**

The Board, in conjunction with EAA, and the European Financial Reporting Advisory Group (EFRAG) held a virtual research workshop that provided an overview of the Board's Exposure Draft ED/2021/6 *Management Commentary*.

Please click to access the **recording of the presentation and the slide deck** on the IFRS Foundation website.

### **Board announces webinar on management commentary**

The Board will be holding a webinar on 13 July 2021 to provide an overview of ED/2021/6 *Management Commentary*.

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

### **Trustees announce webinar on their sustainability initiative**

On 7 July 2021, the Trustees of the IFRS Foundation will host a webinar that will summarise the feedback gathered during the Trustees' 2020 Consultation and explain how the Trustees have responded to that feedback. The speakers will also outline the Trustees' strategic decisions and the remaining steps before the Trustees make a final determination on the new board by the United Nations COP26 conference in November 2021.

Please click to access **more information, including registration and submitting questions** on the IFRS Foundation website.

### **Board Chair provides final observations**

During the IFRS Foundation Virtual Conference 2021, Board Chair Hans Hoogervorst provided his final observations of his 10-year tenure. Mr Hoogervorst discussed certain economic thinking, such as the influence of the 'Washington Consensus'. Also, he touched upon the effect the Great Financial Crisis of 2008 and the COVID pandemic had to the economy and the risks that recent policies may have to the monetary system.

Please click to access the **transcript and video** of Mr Hoogervorst's speech on the IFRS Foundation website.

### **Chair of the IFRS Foundation Trustees discusses path to global sustainability standards**

At the Chartered Financial Analyst (CFA) Institute Global Financial Regulatory Symposium, Erkki Liikanen, Chair of the IFRS Foundation Trustees, talked about the Foundation's work to meet the information needs of investors and other capital market participants regarding sustainability-related information.

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

### **IFRS Foundation launches Technical Readiness Working Group page**

The IFRS Foundation has launched a new webpage on its site which contains information and meeting summaries related to the Technical Readiness Working Group (TRWG) of leading organisations with expertise in sustainability and integrated reporting standard-setting focused on meeting investors' needs.

Please click to access the **TRWG page** on the IFRS Foundation website.

### **Eminent Persons Group to advise Trustees on their sustainability initiative**

The IFRS Foundation Trustees have announced the establishment of an Eminent Persons Group to provide strategic advice and counsel to the Trustees regarding the proposed formation of the International Sustainability Standards Board (ISSB). The group will also advise on the connectivity with jurisdictional initiatives.

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

### **Call for nominations: Chair and Vice-Chair of the ISSB**

The IFRS Foundation Trustees seek nominations for the role of Chair and Vice-Chair of the proposed ISSB.

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

### **IFRS Foundation survey on digital content**

The IFRS Foundation is inviting users of its website to comment on the kind of digital content the IFRS Foundation creates.

Please click to access more information in the **press release** on the IFRS Foundation 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 the IPSASB 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 March 2021 were designated for use by entities voluntarily applying IFRS Standards in Japan.

The newly designated IFRS Standards include:

- *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to IFRS 16)
- *Interest Rate Benchmark Reform—Phase 2* (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

Please click to access the **press release** (in Japanese only) on the FSA website.

### Webinar of EFRAG on proposed amendments to the disclosure requirements in IFRS Standards

On 30 June 2021, EFRAG, along with the Board, held a webinar on the ED/2021/3 *Disclosure Requirements in IFRS Standards—A Pilot Approach*.

Please click to access a recording of the webinar through the **press release** on the EFRAG website.

### Joint webinar on rate-regulated entities

EFRAG, the European Federation of Financial Analysts Societies (EFFAS), the Association Belge des Analystes Financiers (ABAF/BVFA), and the Board will host a joint webinar on 12 July 2021 on the proposals in Exposure Draft ED/2021/1 *Regulatory Assets and Regulatory Liabilities*.

The webinar will provide information on the proposals and an opportunity for users to provide feedback.

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

### EFRAG conducts surveys on Regulatory Assets and Regulatory Liabilities

EFRAG is conducting two surveys aimed at preparers and users that analyse the financial statements of rate-regulated entities to participate in an effects analysis of ED/2021/1 *Regulatory Assets and Regulatory Liabilities*.

Please click to access the following on the EFRAG website:

- The **preparers survey press release**
- The **users survey press release**

### EFRAG rate-regulated activities briefing

The Secretariat of EFRAG has published a briefing paper as part of the EFRAG strategy to stimulate debate on the Board discussions on how to account for rate-regulated activities.

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

### EFRAG report on application issues of IFRS 10, IFRS 11 and IFRS 12

As part of its response to the Board's Request for Information on the post-implementation review of IFRS 10, IFRS 11 and IFRS 12, EFRAG has prepared a report on the issues heard from European constituents on the implementation or application issues of these and related IFRS Standards.

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

### EFRAG draft comment letter on Lack of Exchangeability

EFRAG has issued a draft comment letter on Exposure Draft ED/2021/4 *Lack of Exchangeability* that proposes amendments to IAS 21.

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

### EFRAG conducting survey on the Board's future agenda and EFRAG's proactive research agenda

EFRAG is inviting stakeholders to participate in a two-part survey on the following:

- EFRAG's consultation on the Board's Third Agenda Consultation
- EFRAG's consultation on its proactive research agenda

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

### **EFRAG issues annual review for 2020**

EFRAG has published its 2020 annual review. The review highlights EFRAG's work on sustainability reporting, IFRS 17, primary financial statements, and goodwill and impairment as well as the EFRAG research projects on crypto-assets and liabilities and intangibles.

Please click to access the **annual review** on the EFRAG website.

### **EFRAG announces webinar on its discussion paper on crypto-assets (liabilities)**

In July 2020, EFRAG published a discussion paper titled *Accounting for Crypto-Assets (Liabilities): Holder and Issuer Perspective*. This is now followed by a webinar on 6 July 2021 to discuss the practical application issues in current reporting and the options for addressing IFRS related requirements for crypto-assets (liabilities) proposed in the discussion paper.

Please click to access the following on the EFRAG website:

- **More information and registration**
- **Detailed programme**

### **EFRAG begins public consultation on due process procedures on EU sustainability reporting standard-setting**

EFRAG has launched a public consultation paper titled *EFRAG Due Process Procedures on EU Sustainability Reporting Standard-Setting*. The consultation paper provides the requirements EFRAG plans to follow in its role as technical advisor to the European Commission in the preparation of European sustainability reporting standards envisioned in the draft Corporate Sustainability Reporting Directive (CSRD).

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

### **G7 Finance Ministers and Central Bank Governors support Trustees' sustainability initiative**

The Finance Ministers and Central Bank Governors published a communiqué in which they support the IFRS Foundation Trustees' initiative on sustainability reporting.

Please click to access the following:

- The **communiqué** on the UK government website
- The **press release** acknowledging the communiqué on the IFRS Foundation website

### **IOSCO report on sustainability-related disclosures, speech by IOSCO Chair**

The Board of the International Organization of Securities Commissions (IOSCO) has published a report on issuers' sustainability-related disclosures that elaborates on IOSCO's vision and expectations for the IFRS Foundation's work towards a global baseline of investor-focused sustainability standards to improve the global consistency, comparability and reliability of sustainability reporting.

The 'crucial' IFRS global baseline was also topic of a speech by IOSCO Chair Ashley Alder.

Please click to access the following:

- IOSCO **press release** with a summary of the key messages of the new report on the IOSCO website
- **Report** on the IOSCO website
- **Transcript of Mr Alder's speech** on the Securities and Futures Commission of Hong Kong website
- The International Federation of Accountants' (IFAC) **statement** supporting IOSCO's approach on the IFAC website

### **IIRC and SASB officially merge**

The International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB) have officially announced their merger to form the Value Reporting Foundation (VRF).

The VRF supports business and investor decision-making with three key resources:

- Integrated Thinking Principles
- Integrated Reporting Framework (<IR> Framework)
- SASB Standards

Please click to access the **new VRF website** for more information and a list of statements from business leaders.

### TCFD consults on updates to its 2017 recommendations

The Task Force on Climate-related Financial Disclosures (TCFD) set up by the Financial Stability Board (FSB) to develop voluntary, consistent climate-related financial risk disclosures for use by entities in providing information to lenders, insurers, investors and other stakeholders is consulting on updates to its final recommendations on climate-related financial disclosures as disclosure practices and the use of disclosures by financial and non-financial organisations have continued to progress since 2017.

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

### New Taskforce on Nature-related Financial Disclosures launched

The Taskforce on Nature-related Financial Disclosures (TNFD) is a new global market-led initiative which aims to provide financial institutions and corporates with a complete picture of their environmental risks and opportunities. The TNFD will deliver a framework for organisations to report and act on evolving nature-related risks, building on the success of the TCFD.

Please click to access the following on the TNFD website:

- **Press release**
- **Letter** by the two newly appointed Co-Chairs
- Publication ***NATURE IN SCOPE: A summary of the proposed scope, governance, work plan, communication and resourcing plan for the TNFD***
- Publication ***Proposed Technical Scope Recommendations for the TNFD***

### Other recent sustainability and integrated reporting developments

- IFAC **examined** global practices for sustainability reporting and assurance over that information, including the prevalence of assurance, level of assurance, and the standards used by practitioners. It found wide variations in how sustainability information is being reported by entities, and how accountants are providing assurance services to vet the information.
- The seven Founding Partners of The Investor Agenda are **calling** on governments to commit to implementing mandatory climate risk disclosure requirements aligned with the TCFD recommendations, ensuring comprehensive disclosures that are consistent, comparable, and decision-useful.
- The Value Balancing Alliance (VBA), whose goal it is to enable stakeholders to compare the non-financial performance of entities like financial performance today, has **published** a position paper on the standardisation of disclosure requirements.
- The Association of Chartered Certified Accountants (ACCA) has **published** a report examining how a selection of organisations in the Business Network of the IIRC are communicating integrated thinking in their integrated reports.
- Before its merger with the SASB, the IIRC has **published** its latest integrated report *Driving Cohesion*. It has also **published** an updated translation of the <IR> Framework in Russian, to support the understanding and adoption of integrated reporting in Russia.
- Before its merger with the IIRC, the SASB has **announced** the availability of French translations of its standards.
- The Global Reporting Initiative (GRI) has **released** research conducted internally by GRI South Asia that finds that sustainability reporting is on the rise in three target countries—India, Bangladesh and Sri Lanka.
- The CDP (formerly known as the Carbon Disclosure Project) has **released** a regional Asia Pacific Analysis of 2020 corporate Environmental disclosures. It has also **released** a Q&A with comments from CDP Europe on what the proposed CSRD means for entities.
- Also on the proposed CSRD, the Accounting Standards Committee of Germany (ASCG) has **published** key messages. The ASCG is also the first national standard-setter to **issue** publicly available information on how Germany will support the ISSB financially.

## Updates to Deloitte iGAAP manual

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

### Added Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A21 Statement of cash flows	<b>3.3-2</b>	Presentation of cash flows when another entity receives and makes payments on behalf of the reporting entity

### Amended Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A7 Property, plant and equipment	<b>6.1-1</b>	Initial adoption of revaluation basis
A9 Intangible assets	<b>7.7-1</b>	Initial adoption of revaluation basis
A21 Statement of cash flows	<b>5.4.4.1-1</b>	Cash flows resulting from supplier financing arrangements
A21 Statement of cash flows	<b>5.4.4.2-1</b>	Cash flows resulting from supplier financing arrangements
A25 Business combinations	<b>4.4.6-1</b>	Increase in stake in entity with single asset from associate (or joint venture) to subsidiary – measurement in consolidated financial statements – example

## Deloitte IFRS communications and publications

Issuance Date	Description
4 June 2021	<b><i>IFRS on Point—May 2021</i></b>
24 June 2021	<b><i>A Closer Look—Software-as-a-Service arrangements—Accounting changes are the result of an era of digital transformation</i></b>



## Comment letters

	Description	Receiving party	Comment letter deadline
Comment letters issued	<b>Exposure Draft: ED/2021/5—Proposed Targeted Amendments to the IFRS Foundation Constitution to Accommodate an International Sustainability Standards Board to Set IFRS Sustainability Standards</b>	IFRS Foundation	29/06/2021
Comment letters pending	<b>Exposure Draft: ED/2021/1—Regulatory Assets and Regulatory Liabilities</b>	IFRS IC	30/07/2021
	<b>Tentative Agenda Decision: Economic Benefits from Use of a Windfarm (IFRS 16)</b>	IFRS IC	16/08/2021
	<b>Tentative Agenda Decision: TLTRO III Transactions (IFRS 9 and IAS 20)</b>	IFRS IC	16/08/2021
	<b>Discussion Paper DP/2020/2—Business Combinations under Common Control</b>	IASB	01/09/2021
	<b>Exposure Draft: ED/2021/4—Lack of Exchangeability</b>	IASB	01/09/2021
	<b>Request for Information— Third Agenda Consultation</b>	IASB	27/09/2021
	<b>Exposure Draft: ED/2021/3—Disclosure Requirements in IFRS Standards—A Pilot Approach</b>	IASB	21/10/2021
	<b>Exposure Draft: ED/2021/6—Management Commentary</b>	IASB	23/11/2021

## 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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