



IFRS on Point

Financial and Sustainability Reporting Developments and Information from April 2022

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International headlines

IASB meeting (April 2022)

The International Accounting Standards Board (IASB) met on 25-28 April 2022.

The following topics were discussed:

- Post-implementation Review of IFRS 9—Classification and Measurement
- Equity Method
- Management Commentary
- Goodwill and Impairment
- Primary Financial Statements
- Second Comprehensive Review of the *IFRS for SMEs* Accounting Standard
- Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures
- Maintenance and consistent application
- Third Agenda Consultation

Please click to access the following:

- **IASB Update** 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

IFRS Interpretations Committee meeting (April 2022)

The IFRS Interpretations Committee met on 20 April 2022 and finalised the following agenda decision:

IFRS 15 *Revenue from Contracts with Customers*—Principal versus Agent: Software Reseller

Please click here 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

For more information please see
the following websites:

www.iasplus.com

www.deloitte.com

Podcast on IFRS Interpretations Committee developments

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

The podcast focused on the following topics:

- Demand Deposits with Restrictions on Use arising from a Contract with a Third Party
- TLTRO III Transactions
- Transfer of Insurance Coverage under a Group of Annuity Contracts
- Negative Low Emission Vehicle Credits
- Lessor Forgiveness of Lease Payments
- SPAC Transactions—Classification of Public Shares and Accounting for Warrants at Acquisition
- IASB narrow-scope projects

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

ISSB forms working group to enhance compatibility between global baseline and jurisdictional initiatives

The International Sustainability Standards Board (ISSB) has formed a working group comprised of several jurisdictions to enhance the compatibility between the ISSB's Exposure Drafts (ED/2022/S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and ED/2022/S2 *Climate-related Disclosures*) on sustainability disclosures and jurisdictional initiatives.

Specifically, the working group will "discuss compatibility of those initiatives to establish how the global baseline, fully responding to the needs of global market participants, can contribute to optimising reporting efficiency for companies in those jurisdictions and how those jurisdictions can build upon the global baseline according to their needs."

The working group consists of members from the Chinese Ministry of Finance, the European Commission (EC), the European Financial Reporting Advisory Group (EFRAG), the Japanese Financial Services Authority, the Sustainability Standards Board of Japan Preparation Committee, the United Kingdom Financial Conduct Authority and the US Securities and Exchange Commission.

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

Recordings of recent webinars on ISSB EDs

The IFRS Foundation has posted the recordings of its recent webinars on the ISSB's EDs. The webinars discussed the following:

- Introduction and overview of the EDs
- How to respond to the EDs
- Question and answers

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

ISSB presence in Montreal announced

The IFRS Foundation has announced an agreement to establish the Montreal centre of the ISSB, which will host key functions of the ISSB and act as a hub for the Americas region, enabling close cooperation with the Value Reporting Foundation (VRF), which has headquarters in San Francisco.

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

IFRS Advisory Council meeting (April 2022)

The IFRS Advisory Council met on 5-6 April 2022.

The following topics were discussed:

- Update on Trustees' and IASB activities
- Update on ISSB EDs
- Feedback from previous Advisory Council meetings
- Organisational culture
- Introduction of and update from the Chair of the ISSB

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

Summary of the March 2022 CGRR meeting

The Consultative Group for Rate Regulation (CGRR) held a meeting on 4 March 2022. The meeting summary of the meeting has now been released.

The meeting focused on possible courses of actions the IASB should consider when responding to feedback and future deliberations on its proposal on regulatory returns on construction work-in-progress.

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

Summary of the March 2022 GPF meeting

Representatives from the IASB and the Global Preparers Forum (GPF) held a meeting on 11 March 2022. Notes and a recording of the meeting have now been released.

The following topics were discussed:

- Supplier Finance Arrangements
- Non-current Liabilities with Covenants
- IASB and IFRS Interpretations Committee developments

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

IASB issues project summary on pension benefits that depend on asset returns project

The IASB has published its project summary *Pension Benefits that Depend on Asset Returns*. The project summary provides an overview of research and deliberations on the project.

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

Call for research—Research on making materiality judgements

The IFRS Foundation is seeking to partner with national standard-setters to gather research and information related to the changes and additions to the IASB's literature on making materiality judgements.

In particular, the IASB is looking to assess the effects on investors, companies, auditors and regulators for the following documents:

- Definition of Material (Amendments to IAS 1 and IAS 8)
- IFRS Practice Statement 2 *Making Materiality Judgements*
- Better Communication in Financial Reporting—Making disclosures more meaningful

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

IFRS Foundation publishes its 2021 annual report

The IFRS Foundation has published its annual report and audited financial statements for the year ended 31 December 2021.

Please click to access the **annual report** on the IFRS Foundation website.

IFRS Foundation seeks IASB members

The IFRS Foundation Trustees are seeking to appoint new IASB members from the Asia-Oceania and the Europe region.

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

IOSCO to begin review of draft ISSB standards

In a statement welcoming the publication of the ISSB EDs, the International Organization of Securities Commissions (IOSCO) outlined its plans for reviewing the draft standards, with a view to informing its potential endorsement of the final standards.

Please click to access the **statement** on the IOSCO website.

ESMA expands Q&A document on the implementation of its APM guidance

In June 2015, the European Securities and Markets Authority (ESMA) published its final *Guidelines on Alternative Performance Measures* (APMs) for listed issuers that became effective in July 2016. Since then, ESMA has published several questions and answers on the guidelines to promote common supervisory approaches and practices in the implementation of them. Two new questions have now been added to the document in the context of ESG developments.

Please click to access the **updated document** on the ESMA website.

EFRAG publishes draft ESRS

EFRAG has launched a public consultation on the EDs for its Draft European Sustainability Reporting Standards (ESRS). According to the draft Corporate Sustainability Reporting Directive (CSRD) proposed by the EC in April 2021, the purpose of the ESRS is to specify the new sustainability reporting requirements of the amended Accounting Directive.

The 13 EDs correspond to the first set of standards required under the CSRD proposal and cover the following areas of sustainability reporting:

- Cross-cutting EDs (ESRS 1 and ESRS 2)
- Topical standards—Environment (ESRS E1 to ESRS E5)
- Topical standards—Social (ESRS S1 to ESRS S4)
- Topical standards—Governance (ESRS G1 and ESRS G2)

Comments are requested by 8 August 2022.

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

Feedback on EFRAG's crypto-assets DP and recommendations for the IASB

In July 2020, EFRAG published a discussion paper (DP) titled *Accounting for Crypto-Assets (Liabilities): Holder and Issuer Perspective*. The DP provided possible approaches to address the gaps in crypto-assets (liabilities) requirements. EFRAG has now reviewed the feedback received and is providing recommendations for the IASB to consider.

Please click to access the **recommendations and feedback statement** on the EFRAG website.

EFRAG draft comment letter regarding a tentative agenda decision on IFRS 17

EFRAG has published a draft comment letter on the recent IFRS Interpretations Committee tentative agenda decision on IFRS 17 (Transfer of Insurance Coverage under a Group of Annuity Contracts).

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

Accountancy Europe sends letter to Commissioner McGuinness on ESRS

Accountancy Europe has written a letter to the EC Commissioner Mairead McGuinness on the development of purposeful and effective ESRS. The letter includes comments that Accountancy Europe believes need to be addressed in order for ESRS to be a successful tool for the EU and its ambitious plan to turn Europe into the first climate-neutral continent by 2050.

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

11th ANC Symposium on Accounting Research

On 14 April 2022, the Autorité des Normes Comptables (ANC), the French standard-setter, hosted its 11th Symposium on Accounting Research in Paris. The general theme was "Accounting, Growth & Sustainability".

Please click to access the **recording and related papers** (in French language) on the ANC website.

IPSASB ED on retirement benefit plans

The International Public Sector Accounting Standards Board (IPSASB) has released an ED that intends to increase the transparency and accountability of public sector entities regarding multi-employer retirement benefit obligations.

Please click to access the ED via the **press release** on the IPSASB website.

Hyperinflationary economies—updated information on Turkey

The International Practices Task Force (IPTF) of the Centre for Audit Quality (CAQ) that monitors the status of highly inflationary countries has published an update on the situation in Turkey.

Please click to access the following:

- **Addendum to the IPTFs list** on the CAQ website
- **iGAAP in Focus** on inflation in Turkey on IAS Plus

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	5.2.4.11-1	Presentation of interest revenue arising from contracts in the scope of IFRS 15
A4 Presentation of financial statements	5.2.4.12-1	Presentation in the statement of profit or loss of onerous contract provision related to a revenue contract with a customer
A12 Provisions, contingent liabilities and contingent assets	3.9.2-1C	Assessment of 'economic benefits expected to be received' under a contract with a customer
A12 Provisions, contingent liabilities and contingent assets	3.9.2-6	Consideration of forward purchase contract when assessing whether a contract with a customer is onerous – example
A17 Leases	4.4.2.7-1	Economic benefits supplied through a gross pool market – example
A21 Statement of cash flows	4.2.7-2	Presentation in the statement of financial position of bank overdrafts that form part of cash equivalents
A31 Earnings per share	5.10.1-2	Effect on the parent's diluted EPS calculations of convertible preference shares issued by a subsidiary that are antidilutive at the subsidiary level
D1 What is an insurance contract?	2.2.3-5	Own damage coverage associated with a lease contract – example
D2 Scope of IFRS 17	3-1	Accounting for investment contracts issued by an insurer which include an option for the policyholder to change the underlying funds that the contract is contractually linked to
D3 Level of aggregation	5-1	Groups of insurance contracts that are divided into cohorts consisting of different length time periods
D5 Measurement at initial recognition	5.1.2.3-2	Contract boundary for participating contracts with guaranteed annuity options
D6 Subsequent measurement	2.5.2-1	Changes in the risk adjustment for non-financial risk due to time value of money and financial risk
D6 Subsequent measurement	2.5.2-2	Accounting for the change in the carrying amount of the time value of options and guarantees (TVOG) which is included in the fulfilment cash flows under the general measurement model
D13 Primary financial statements	2.2.2.3-1	Amortisation pattern for insurance acquisition cash flows when applying IFRS 17:B125
D13 Primary financial statements	2.2.4-1	Impact on required disclosures explaining the recognised amounts when an entity adopts an accounting policy of presenting amounts arising from a group of reinsurance contracts held as a single line item (net presentation)
D13 Primary financial statements	2.3.1-1	Projection of future inflation based on a specific published index in the absence of market-traded inflation-linked instruments

Amended Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A25 Business combinations	4.4.6-1	Increase in stake in entity with single asset from associate (or joint venture) to subsidiary – measurement in consolidated financial statements – example
B3 Financial liabilities and equity	3.6-2	Mandatorily convertible perpetual instrument that is only convertible upon a non-viability event – example
D6 Subsequent measurement	2.7-1	Foreign currency translation of the CSM recognised in profit or loss

Deloitte IFRS communications and publications

Issuance Date	Description
07 April 2022	IFRS on Point—March 2022
21 April 2022	iGAAP in Focus—Financial reporting—Reporting on periods ending on or after 30 June 2022—Inflation in Turkey

Comment letters

	Description	Receiving party	Comment letter submitted/deadline
Comment letters submitted	Tentative Agenda Decision: Negative Low Emission Vehicle Credits	IFRS IC	11/04/2022
Comment letters pending	Tentative Agenda Decision: Lessor Forgiveness of Lease Payments (IFRS 9 and IFRS 16)	IFRS IC	23/05/2022
	Tentative Agenda Decision: Special Purpose Acquisition Companies (SPAC): Classification of Public Shares as Financial Liabilities or Equity (IAS 32)	IFRS IC	23/05/2022
	Tentative Agenda Decision: Special Purpose Acquisition Companies (SPAC): Accounting for Warrants at Acquisition	IFRS IC	23/05/2022
	Tentative Agenda Decision: Transfer of Insurance Coverage under a Group of Annuity Contracts (IFRS 17)	IFRS IC	23/05/2022
	Exposure Draft: ED/2022/S1 General Requirements for Disclosure of Sustainability-related Financial Information	ISSB	29/07/2022
	Exposure Draft: ED/2022/S2 Climate-related Disclosures	ISSB	29/07/2022

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 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.

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