



IFRS on Point

Financial and Sustainability Reporting Developments and Information from August 2022

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International Headlines

IFRS Foundation appoints second ISSB Vice-Chair and three ISSB members

The Trustees of the IFRS Foundation have announced the appointment of Jingdong Hua as the second Vice-Chair of the International Sustainability Standards Board (ISSB) and Jenny Bofinger-Schuster, Hiroshi Komori and Veronika Pountcheva as ISSB members.

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

- **Press release** on the appointment of the second ISSB Vice-Chair
- **Press release** on the appointment of the additional three ISSB members

IFRS Foundation and Value Reporting Foundation complete consolidation

The consolidation of the Value Reporting Foundation (VRF) into the IFRS Foundation has been completed.

The VRF was formed in June 2021 with the merger of the International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB). The consolidation with the IFRS Foundation will inform the work of the IFRS Foundation through the industry-based approach of the SASB Standards and the Integrated Reporting Framework.

The consolidation is part of a COP26 objective to consolidate leading investor-focused sustainability disclosure organisations with the IFRS Foundation.

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

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

IASB publishes short video on results of its agenda consultation

On 29 July, the International Accounting Standards Board (IASB) concluded its third agenda consultation by releasing a feedback statement. In a video now released, IASB Chair Andreas Barckow discusses the reasons for the IASB's decisions as result of the agenda consultation and how the IASB responded to the extensive feedback from its diverse stakeholders.

Please click to access the **video** on Youtube.

Summary of the July 2022 ASAF meeting

A summary of the Accounting Standards Advisory Forum (ASAF) meeting held on 11-12 July 2022 has been released.

The following topics were discussed:

- Goodwill and Impairment
- Dynamic Risk Management
- Post-implementation Review of IFRS 9—Classification and Measurement
- Financial Instruments with Characteristics of Equity
- Disclosure Initiative: Targeted Standards-level Review of Disclosures
- Primary Financial Statements
- Disclosure Initiative—Subsidiaries Without Public Accountability: Disclosures
- Second Comprehensive Review of the *IFRS for SMEs* Accounting Standard
- Agenda planning and feedback from previous ASAF meeting

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

Summary of the July 2022 ISSB Jurisdictional Working Group meeting

A summary of the ISSB Jurisdictional Working Group meeting held on 18 July 2022 has been released.

During the meeting, participants discussed the following:

- Feedback received on the ISSB's Exposure Drafts on General Requirements and Climate-Related Disclosures
- Update on the discussions between the United States, the European Union and the ISSB on achieving greater interoperability
- Next steps for the working group

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

Companies, investors and professional accountants call for global alignment in sustainability reporting

The International Federation of Accountants (IFAC) has published a joint statement by 65 organisations calling for stronger alignment of regulatory and standard-setting efforts around sustainability disclosure.

The statement notes that significant efforts by the ISSB, the US Securities and Exchange Commission (SEC), and the European Commission together with the European Financial Reporting Advisory Group (EFRAG) are underway, which all aim to address the need to enhance and evolve corporate reporting to include and consider sustainability information. However, current draft standards and initiatives are not technically compatible in terms of concepts, terminologies, and metrics. Therefore, leading financial market participants are asking financial market regulators to avoid regulatory and standard-setting fragmentation by aligning key concepts, terminologies, and metrics on which disclosure requirements are built.

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

Annual ECON exchange of views with representatives of the IFRS Foundation

The annual exchange of views between the Committee on Economic and Monetary Affairs (ECON) of the European Parliament and representatives of the IFRS Foundation was held on 31 August 2022.

The meeting included a Q&A session where the following issues were raised:

- Cooperation with the EU initiative
- Materiality
- Will ISSB developments respect EU sovereignty and will they hamper EU progress?
- IFRS Foundation Governance and cooperation between IASB and ISSB
- Inclusiveness
- Developments worldwide and especially the backlash against ESG matters in some states of the US

Please click to access the **recording of the session** on the European Parliament website.

ESMA comments on draft ESRS

The European Securities and Markets Authority (ESMA) has commented on the draft European Sustainability Reporting Standards (ESRS) developed by EFRAG.

ESMA highlights its support for a strong materiality assessment but expresses its concern with the suggested 'rebuttable presumption' approach. ESMA also encourages EFRAG to keep engaging with the ISSB to ensure further alignment of ESRS and IFRS Sustainability Disclosure Standards to benefit users of sustainability reporting and the companies that prepare the reporting.

Please click to access the **comment letter** on the ESMA website.

Updated IPSAS-IFRS alignment dashboard

An updated alignment dashboard has been released showing how far individual International Public Sector Accounting Standards (IPSAS) for financial reporting by governments and other public sector entities are aligned with corresponding IFRS Accounting Standards.

Please click to access the **updated alignment dashboard** on the IFAC 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	5.2.1-1	Presentation of insurance service expenses in profit of loss: nature versus function
D5 Measurement at initial recognition	5.1.2.6-1	Assessing the contract boundary when the insurer has a unilateral right to cancel subject to a notice period
D5 Measurement at initial recognition	6.4-3	Determination of 'locked-in' discount rates
D6 Subsequent measurement	2.5.2-4	Financial variables to use when adjusting the CSM for changes in non-financial variables – general measurement model

Reinstated Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A9 Intangible assets	2.5-2	Cryptocurrencies in a third-party hosted wallet service

Deloitte IFRS communications and publications

Issuance Date	Description
10 August 2022	IFRS on Point—July 2022
11 August 2022	IPSAS in your pocket—2022 edition (updated)

Comment letters

	Description	Receiving party	Comment letter submitted/deadline
Comment letters submitted	EFRAG public consultation on the first set of draft European Sustainability Reporting Standards	ISSB	20/07/2022
	Tentative Agenda Decision: Multi-currency Groups of Insurance Contracts (IFRS 17 and IAS 21)	29/07/2022	20/07/2022
Comment letters pending	Staff Request for Feedback on the staff draft of the IFRS Sustainability Disclosure Taxonomy	18/08/2022	19/08/2022

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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