



## IFRS on Point

### Financial and Sustainability Reporting Developments and Information from December 2023

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#### International Headlines

##### IASB meeting (December 2023)

The International Accounting Standards Board (IASB) met on 12-14 December 2023. The following topics were discussed:

- IASB work plan update
- rate-regulated activities
- management commentary
- second comprehensive review of the *IFRS for SMEs* accounting standard
- disclosure initiative—subsidiaries without public accountability: disclosures
- power purchase agreements
- use of a hyperinflationary presentation currency in a non-hyperinflationary entity
- climate-related and other uncertainties in the financial statements
- provisions—targeted improvements
- addendum to the exposure draft *Third Edition of the IFRS for SMEs Accounting Standard*.

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 the recording of the meeting on the IFRS Foundation website
- **work plan analysis** on IAS Plus
- **detailed meeting summaries** on IAS Plus.

##### ISSB meeting (December 2023)

The International Sustainability Standards Board (ISSB) met on 13-14 December 2023. The following topics were discussed:

- international applicability of the SASB standards
- IFRS sustainability disclosure taxonomy
- ISSB 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 the recording of the meeting on the IFRS Foundation website
- **work plan analysis** on IAS Plus
- **detailed meeting summaries** 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)

### **ISSB publishes targeted amendments to the SASB standards to enhance their international applicability**

The ISSB has published amendments to the Sustainability Accounting Standards Board (SASB) standards to enhance their international applicability. The amendments remove and replace jurisdiction-specific references and definitions without substantially altering industries, topics or metrics. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025.

Please click to access the following:

- **updated SASB standards** on the SASB website
- **basis for conclusions** on the IFRS Foundation website.

### **IFRS Foundation publishes educational material on IFRS S2**

The IFRS Foundation has published educational material on IFRS S2 *Climate-related Disclosures* that is intended to help entities to consider the nature and social aspects of climate-related risks and opportunities when applying the standard.

Please click to access the **educational material** on the IFRS Foundation website.

### **IASB completes project on extractives by publishing project summary**

The IASB has published a summary of its project on extractive activities, which the IASB decided not to pursue. Based on evidence collected, the IASB concluded at its September 2023 meeting that there is no compelling evidence that standard-setting is necessary.

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

- **press release**
- **project summary.**

### **Second webcast on the forthcoming standard for subsidiaries without public accountability**

The IASB has published the second in a series of webcasts explaining the requirements in the forthcoming reduced-disclosure standard *Subsidiaries without Public Accountability: Disclosures*. The second webcast discusses the requirements from a regulator's perspective.

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

### **IFRS Foundation launches knowledge hub to support the implementation of IFRS S1 and IFRS S2**

The IFRS Foundation has launched the IFRS sustainability knowledge hub to support the implementation of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures*. The hub forms part of the capacity building programme for the new standards.

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

- **press release**
- **IFRS sustainability knowledge hub.**

### **Emmanuel Faber reappointed as ISSB chair for second term**

The Trustees of the IFRS Foundation have announced that Emmanuel Faber has been reappointed for a second three-year term as chair of the ISSB, when his current term ends in December 2024. Mr Faber's second term will start on 1 January 2025 and end on 31 December 2027.

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

### **Erkki Liikanen speaks on progress and priorities to advance global sustainability disclosures**

The chair of the IFRS Foundation Trustees, Erkki Liikanen, gave a speech at COP28 to reflect on the progress that has been made since the IFRS Foundation announced the decision to establish the ISSB at COP26.

Please click to access the **transcript of the speech** on the IFRS Foundation website.

### **IFRS Foundation and ISO commit to future cooperation towards effective communication about sustainability-related risks and opportunities**

The IFRS Foundation and the International Organization for Standardization (ISO) have confirmed their shared commitment to cooperate to support efficient and resilient global economies at COP28. Both organisations recognise that working together in areas of common interest is in the public interest.

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

### **Declaration of support to advance the adoption or use of the ISSB's climate-related reporting**

Almost 400 organisations from 64 jurisdictions have signed a declaration of support to advance the adoption or use of the ISSB's climate-related reporting at a global level. The declaration from companies, investors, stock exchanges, the accountancy profession, multilaterals, non-governmental organisations, universities, data analytics providers, corporate advisors and others was announced at COP28.

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

- **press release**
- **list of signatories.**

### **ASAF meeting (December 2023)**

The Accounting Standards Advisory Forum (ASAF) met on 4 December 2023. The following topics were discussed:

- agenda planning and feedback from previous ASAF meetings
- primary financial statements
- climate-related and other uncertainties in the financial statements.

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.

### **SMEIG meeting (December 2023)**

The SME Implementation Group (SMEIG) met on 5 December 2023. The following topics were discussed:

- second comprehensive review of the *IFRS for SMEs Accounting Standard*
- addendum to the exposure draft *Third edition of the IFRS for SMEs Accounting Standard*.

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 November 2023 CGRR meeting**

A summary has been published of the Consultative Group for Rate Regulation (CGRR) meeting held on 30 November 2023. The CGRR discussed feedback on the proposals on disclosure in the exposure draft *Regulatory Assets and Regulatory Liabilities* and gave input to help develop staff recommendations for the IASB.

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

### **IFRS Foundation Trustees approve reappointment of IFRS IC members and seek new candidates**

The Trustees of the IFRS Foundation have approved the reappointments of Andre Besson, Karen Higgins and Vijay Kumar as IFRS Interpretations Committee (IFRS IC) members. The reappointments are effective on 1 July 2024 and are for a three-year period.

In addition, the Trustees have launched a call for new IFRS IC members.

For more information, see the **press release** on the IFRS Foundation website.

### **New GPF member appointed**

Keshni Kuni has been appointed as a new member of the Global Preparers Forum (GPF) for an initial five-year term.

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

### **New CMAC members appointed**

The IFRS Foundation has appointed Diego Salvador Barrero, Meghan Clark and Michael Thom to its Capital Markets Advisory Committee (CMAC) for a three-year term beginning on 1 January 2024, renewable once for an additional three-year term.

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

### **Call for candidates: ITCG**

The IFRS Foundation is seeking candidates for membership of the IFRS Taxonomy Consultative Group (ITCG). The group provides an advisory and review forum for members to actively assist the IASB and ISSB in the maintenance and development of their taxonomies and related activities.

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

### **IOSCO publishes recommendations on the accounting for goodwill**

The International Organization of Securities Commissions (IOSCO) has published a report titled *Recommendations on Accounting for Goodwill* for preparers, audit committees and external auditors. The report is aimed at enhancing the reliability, faithful representation and transparency of goodwill recognised and disclosed in financial statements.

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

### **EU formally adopts amendments to IAS 1**

The European Union (EU) has published a Commission Regulation endorsing three amendments to IAS 1 *Presentation of Financial Statements* published by the IASB in 2020 and 2022.

The amendments to IAS 1 are:

- Classification of Liabilities as Current or Non-current (published on 23 January 2020)
- Classification of Liabilities as Current or Non-current—Deferral of Effective Date (published on 15 July 2020)
- Non-current Liabilities with Covenants (issued on 31 October 2022).

Please click to access the **Commission Regulation** on the EU website.

### **ESMA publishes draft guidelines for supervision of sustainability information**

The European Securities and Markets Authority (ESMA) has published draft guidelines on enforcement of sustainability information. The comment period for the draft guidelines ends on 15 March 2024.

The main objectives of the draft guidelines are to:

- ensure that the supervision of listed entities' sustainability information under the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS) and Article 8 of the Taxonomy Regulation is carried out by national competent authorities in a converged manner
- establish consistency in, and robust approaches to, the supervision of listed entities' sustainability and financial information to facilitate increased connectivity.

Please click to access the draft guidelines via the **press release** on the ESMA website.

### **EFRAG proposes implementation guidance for ESRS**

The European Financial Reporting Advisory Group (EFRAG) has published three draft documents that propose implementation guidance for ESRS. The comment period for the draft implementation guidance ends on 2 February 2024.

The documents are as follows:

- draft EFRAG IG 1 *Materiality assessment implementation guidance*, describing the reporting requirements on the materiality assessment process including an illustration of possible steps of the process and FAQs on the double materiality assessment
- draft EFRAG IG 2 *Value chain implementation guidance*, describing the reporting requirements on the value chain during the materiality statement, for impacts, risks and opportunity management as well as metrics and targets, including the reporting boundary of the group for sustainability reporting, FAQs to provide further information and a 'value chain map'
- draft EFRAG IG 3 *Detailed ESRS datapoints implementation guidance*, presenting the complete list of ESRS requirements in an Excel format. For this document, an explanatory note is also available.

The documents are proposed to be non-authoritative.

Please click to access the following on the EFRAG website:

- **press release**
- **draft EFRAG IG 1**
- **draft EFRAG IG 2**
- **draft EFRAG IG 3**
- **draft EFRAG IG 3 explanatory note.**

### **EFRAG and TNFD sign cooperation agreement**

EFRAG and the Taskforce on Nature-related Financial Disclosures (TNFD) have signed a cooperation agreement to further advance nature related reporting. The agreement highlights the importance of addressing nature related matters to advance corporate sustainability. It reflects a shared commitment between EFRAG and TNFD to enhance transparency on biodiversity and ecosystems matters.

For more information, please click to access the **press release** on the EFRAG website.

## Hyperinflationary economies—updated IPTF watchlist available

The International Practices Task Force (IPTF) of the Centre for Audit Quality (CAQ) monitors the status of 'highly inflationary' countries for the purposes of applying US GAAP. An updated watchlist is now available.

Please click to access the **watchlist** on the CAQ website.

For economies that should be considered hyperinflationary in an IFRS context, please see our **Closing Out—Areas of Focus for Reporting** publication, section 'Currency and hyperinflation'.

## 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
D13 Primary financial statements	2.2.2.1-1	Accounting for income tax chargeable to a policyholder
D13 Primary financial statements	2.2.2.2-1	Treatment of insurance premium tax (IPT) charged on insurance contracts issued
D13 Primary financial statements	2.2.2.2-2	Reinsurance contract issued – accounting for premiums that are not yet due but relate to past service

## Deloitte IFRS communications and publications

Issuance Date	Description
4 December 2023	<b><i>iGAAP in Focus—Financial reporting: IASB publishes Exposure Draft <i>Financial Instruments with Characteristics of Equity</i></i></b>
6 December 2023	<b><i>IFRS on Point—November 2023</i></b>
15 December 2023	<b><i>iGAAP in Focus—Closing out (December 2023)</i></b>
18 December 2023	<b><i>iGAAP in Focus—Sustainability reporting: California Climate Legislation</i></b>

## Comment letters

	Description	Receiving party	Comment letter submitted / deadline
Comment letters pending	<b>Proposed IFRS Taxonomy Update 2023: <i>Common Practice for Financial Instruments, General Improvements and Technology Update</i></b>	IASB	5 January 2024
	<b>Tentative agenda decision—<i>Climate-related Commitments (IAS 37)</i></b>	IFRS IC	5 February 2024
	<b>Tentative agenda decision—<i>Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8)</i></b>	IFRS IC	5 February 2024
	<b>IASB/ED/2023/5 <i>Financial Instruments with Characteristics of Equity—Proposed amendments to IAS 32, IFRS 7 and IAS 1</i></b>	IASB	29 March 2024

## 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** volumes of iGAAP provide 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**.

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