



IFRS on Point

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International Headlines

IFRSF announces ISSB Vice-Chair and Special Advisor to the ISSB Chair

The Trustees of the IFRS Foundation (IFRSF) have announced the appointment of Sue Lloyd as Vice-Chair of the International Sustainability Standards Board (ISSB). In addition, Janine Guillot has been appointed as Special Advisor to the ISSB Chair.

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

IFRSF consolidates the CDSB from CDP

The IFRSF, CDP and the Climate Disclosure Standards Board (CDSB) have completed the consolidation of the CDSB into the IFRSF. Resources from the CDSB will transfer to the IFRSF and provide intellectual property and technical assets which will support the ISSB.

This marks the completion of the first of two organisations to consolidate into the IFRSF with the other, Value Reporting Foundation, expected to consolidate by June 2022. Also noted was that the CDSB Framework, recent technical guidance on water, biodiversity and social disclosures, and other resources will remain applicable until the ISSB publishes its IFRS Sustainability Disclosure Standards.

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

IASB meeting (January 2022)

The IASB met on 25 January 2022.

The following topics were discussed:

- IASB work plan update
- Approach to prioritising matters from post-implementation reviews
- Primary Financial Statements
- Business Combinations under Common Control
- ED/2021/4 *Lack of Exchangeability*
- IFRS Taxonomy Update—*Initial Application of IFRS 17 and IFRS 9*—Comparative Information (oral update)

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

Please click to access the following:

- **IASB Update** on the IFRSF website
- **Agenda and related papers** on the IFRSF website
- **Work plan analysis** on IAS Plus
- **Detailed meeting summaries** taken by Deloitte observers on IAS Plus

IFRS Interpretations Committee (February 2022)

The IFRS Interpretations Committee met on 1 February 2022.

The following topics were discussed:

- Negative Low Emission Vehicle Credits (IAS 37)
- TLTRO III Transactions (IFRS 9 and IAS 20)
- Profit recognition for annuity contracts (IFRS 17)

Please click here to access the **agenda and related papers** on the IFRSF website.

SMEIG Meeting (January 2022)

The SME Implementation Group (SMEIG) met on 21 January 2022.

The following topics were discussed:

- Definition of a business and reacquired rights in IFRS 3 *Business Combinations*
- Simplifications to IFRS 15 *Revenue from Contracts with Customers*
- Cryptocurrency
- Recognition and measurement of development costs
- Update on recent IASB decisions on the project to review the *IFRS for SMEs Standard*

Please click here to access the **agenda and related papers** on the IFRSF website.

Summary of the November 2021 CMAC meeting

Representatives from the IASB met with the Capital Markets Advisory Council (CMAC) by video conference on 11 November 2021. Notes and a recording from the meeting have now been released.

The topics discussed at the meeting included:

- IASB Update
- Goodwill and Impairment
- Exposure Draft: Supplier Finance Arrangements—proposed amendments to IAS 7 and IFRS 7

Please click to access the **meeting summary** and the **meeting recording** on the IFRSF website.

Summary of the November 2021 ITCG meeting

The IASB has published a summary of the IFRS Taxonomy Consultative Group (ITCG) meeting held on 29 November 2021.

The ITCG discussed digital reporting implications for ED/2021/6 *Management Commentary* (continued from the September 2021 ITCG meeting)

Please click to access the **meeting summary** on the IFRSF website.

Summary of the December 2021 ASAF meeting

The IASB has published a summary of the Accounting Standards Advisory Forum (ASAF) meeting held on 9-10 December 2021.

The topics covered during the meeting were the following:

- Intangibles
- Agenda Consultations
- Agenda planning and feedback from the previous ASAF meeting
- Goodwill and impairment
- Disclosure Initiative: Subsidiaries without Public Accountability: Disclosures
- Disclosure Initiative: Targeted Standards-level Review of Disclosures

Please click to access the **summary** on the IFRSF website.

Report on the December 2021 IFRSF Trustees meeting

A summary report has been released of the meeting of the IFRSF Trustees held on 13 December 2021. The summary includes the following topics:

- ISSB leadership nominations
- Asia-Oceania office
- Departing Trustees

The meeting summary also includes strategic considerations for the ISSB as it begins its work.

Please click to access the **meeting summary** on the IFRSF website.

IFRS Interpretations Committee podcast

The IASB has issued a podcast on the developments of the IFRS Interpretations Committee during the fourth quarter of 2021.

Please click to access the **press release** and **podcast** on the IFRSF website.

IASB member provides update on extractive activities project

IASB member Tadeu Cendon has published an article which provides an update on the IASB's extractive activities project. In particular, the article explains certain IASB decisions related to the scope and objectives of the project following feedback from a variety of stakeholders from different jurisdiction.

Please click to access the **press release** and the **article** on the IFRSF website.

IFRSF seeks ISSB Board members

The IFRSF Trustees are seeking to appoint up to eleven inaugural Board members for the newly formed ISSB.

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

CMAC seeks members

CMAC is seeking new members and welcomes applications from analysts and investors from all over the world.

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

EFRAG draft comment letter on ED/2021/9

The European Financial Reporting Advisory Group (EFRAG) has issued a draft comment letter on ED/2021/9 *Non-current Liabilities with Covenants*. The ED proposes amendments that clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

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

EFRAG draft comment letter on ED/2021/10

EFRAG has issued a draft comment letter on the ED/2021/10 *Supplier Finance Arrangements*. The ED proposes amendments that would require the disclosure of information that enables users of financial statements to assess the effects of supplier finance arrangements on their liabilities and cash flows.

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

EFRAG TEG appointments and reappointments

The Board of EFRAG has announced the appointment of two new members of—and five reappointments to—its Technical Experts Group (TEG) as well as the appointment of a new TEG Vice-Chair.

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

EFRAG working papers on sustainability reporting standards

The Project Task Force on European Sustainability Reporting Standards (PTF-ESRS) of EFRAG has released working papers on the first draft standards on sustainability reporting.

Please click to access the **cover note linking to the working papers** on the EFRAG website.

Call for applications: Members of the EFRAG SRB

The envisioned new structure of EFRAG would see the establishment of a second Board: the Sustainability Reporting Board (SRB). A call for candidates for the SRB has now been published.

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

AcSB and ASBJ hold joint meeting

On 25 January 2022, the Canadian Accounting Standards Board (AcSB) and the Accounting Standards Board of Japan (ASBJ) held a joint meeting by video conference. The meeting was the third bilateral meeting between the two standard-setters.

At the meeting, the AcSB and the ASBJ discussed specific technical topics in which both boards have interest, such as financial instruments, disclosure initiatives, and responding to changes in the market environment, including the interest of stakeholders. The two standard-setters plan to continue to exchange views.

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

AAOIFI issues three new financial accounting standards

The Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) has issued financial accounting standard (FAS) 1 (Revised 2021) *General Presentation and Disclosures in the Financial Statements*, FAS 39 *Financial Reporting for Zakah* and FAS 40 *Financial Reporting for Islamic Finance Windows*.

Please click to access the following on the AAOIFI website:

- **Press release on FAS 1**
- **Press release on FAS 39**
- **Press release on FAS 40**

IPSASB issues non-substantive changes to its standards

The International Public Sector Accounting Standards Board (IPSASB) has issued *Improvements to IPSAS, 2021*.

The pronouncement includes minor improvements to IPSAS to address issues raised by stakeholders and minor amendments sourced from recent IFRS improvements and narrow scope projects

Please click to access the **pronouncement** on the IPSASB website.

Hyperinflationary economies – updated IPTF watch list available

IAS 29 defines and provides general guidance for assessing whether a particular jurisdiction's economy is hyperinflationary. However, the IASB does not identify specific jurisdictions. The International Practices Task Force (IPTF) of the Centre for Audit Quality (CAQ) monitors the status of 'highly inflationary' countries. While it monitors the status of highly inflationary countries for the purposes of applying US GAAP, its criteria for identifying such countries are similar to those for identifying 'hyperinflationary economies' under IAS 29.

The IPTF's discussion document for the 6 November 2021 meeting is now available and states the following view of the Task Force:

Countries with three-year cumulative inflation rates exceeding 100%:

- Argentina
- Iran
- Lebanon
- South Sudan
- Sudan
- Venezuela
- Zimbabwe

Countries with projected three-year cumulative inflation rates exceeding 100%:

- Suriname
- Yemen

Countries with projected three-year cumulative inflation rates between 70% and 100% or with a significant (25% or more) increase in inflation during the current period

- Angola
- Haiti

Please click to access the **full list** on the CAQ website.

Updates to Deloitte iGAAP manual

Available at dart.deloitte.com/iGAAP [on subscription only].

Added Deloitte Guidance

Chapter	Reference	Deloitte guidance title
D1 What is an insurance contract?	2.2.3-1	Risk created by a contract – example
D1 What is an insurance contract?	2.2.3-2	Pre-existing risk when two contracts are entered simultaneously – example
D1 What is an insurance contract?	2.2.3-3	Pre-existing risk – credit risk – example
D1 What is an insurance contract?	2.3.3-1	Assessing whether the insurance risk is significant in reinsurance contract
D1 What is an insurance contract?	2.4.2-1	Transferred expense risk becoming an insurance risk – example
D1 What is an insurance contract?	4-1	Examples of fixed-fee service contracts which meet the definition of an insurance contract
D1 What is an insurance contract?	6-1	Accounting for the 'laying-off' of bets by a gaming operator – example
D2 Scope of IFRS 17	4.2-1	Fixed-fee service contract – example
D2 Scope of IFRS 17	6.2-1	Life-contingent minimum return guarantee
D2 Scope of IFRS 17	6.2-2	Embedded foreign currency feature
D3 Level of aggregation	4-1	Determining whether the group of contracts is onerous on initial recognition – example
D4 Recognition	4-1	Recognition of acquisition cash flows prior to recognition of a group of contracts – example
D4 Recognition	4-2	Derecognition of previously capitalised acquisition cash flows on initial recognition of the group – example
D5 Measurement at initial recognition	5.1.2.2-1	Identifying the coverage period when the customer makes payments in instalments
D5 Measurement at initial recognition	5.1.2.4-1	Determining the contract boundary for insurance contract with multiple coverages repriced at different times
D5 Measurement at initial recognition	5.1.2.5-1	Assessing the contract boundary for a portfolio of contracts

D5 Measurement at initial recognition	5.1.2.5-2	Yearly renewable contract with risk reassessment performed at portfolio level
D5 Measurement at initial recognition	5.1.4-1	Changes in constraints on the practical ability to reassess policyholder risks affecting the contractual boundary
D5 Measurement at initial recognition	5.1.7-1	Fulfilment cash flows of one group affect payments to another group – example
D5 Measurement at initial recognition	5.1.7-2	Determining fulfilment cash flows for groups sharing 100 per cent in the returns from the underlying items – example
D5 Measurement at initial recognition	5.2.5-1	A non-adjusting post-balance sheet event – example
D5 Measurement at initial recognition	5.2.5-2	An adjusting post-balance sheet event – example
D5 Measurement at initial recognition	5.2.5-3	Re-estimation of weather events following higher than expected claims – example
D5 Measurement at initial recognition	5.2.7-1	Approaches to reflecting the financial risk from the minimum return guarantee – example
D5 Measurement at initial recognition	6.3-1	Financial risk associated with cash flows reflected in the discount rate
D5 Measurement at initial recognition	6.4-1	Revision of discount rate determined at initial recognition for a group of insurance contracts straddling the reporting period
D5 Measurement at initial recognition	7.1-1	Estimating the risk adjustment for non-financial risk – example
D5 Measurement at initial recognition	7.3-1	Level of aggregation for determining the risk adjustment for non-financial risk
D6 Subsequent measurement	2.4.2-2	Total coverage units for a group of contracts with different expected durations
D6 Subsequent measurement	2.4.2-3	Total coverage units for a group of contracts with different quantities of promised benefits
D6 Subsequent measurement	2.4.4-1	Recognition of the CSM based on the coverage units provided in the period – example
D6 Subsequent measurement	2.5.3-1	Determining an investment component – example
D7 Onerous Contracts	5.2.2-1	Presentation of onerous contracts in the statement(s) of financial performance and related disclosure in the notes
D8 Premium allocation approach	2-1	Assessment of the impact of refunds on the eligibility for premium allocation approach – example
D8 Premium allocation approach	3-1	Assessing whether contracts in a portfolio are onerous when the PAA is applied
D8 Premium allocation approach	4.3-2	Practical expedient for liability for incurred claims only applicable when using PAA
D9 Reinsurance Contracts Held	1.2-1	Reinsurance contract risk transfer – example
D10 Investment contracts with discretionary participating features	3.5-1	Investment contracts with discretionary participation features may not always be eligible for variable fee approach
D12 Derecognition	2-1	Derecognition of an insurance contract from a group of contracts and calculation of adjustments required by IFRS 17:76 – example

D12 Derecognition	3-1	Accounting treatment when insurance contract is transferred to a third party
D12 Derecognition	3-2	Derecognition of a contract from a group due to modification – example
D13 Primary financial statements	1-1	Group of insurance contracts issued that is an asset – example
D13 Primary financial statements	2.1.2-1	Income and expenses from changes in liability for remaining coverage
D13 Primary financial statements	2.1.3-1	Income and expenses from changes in liability for incurred claims
D13 Primary financial statements	2.1.4-1	Presentation in profit or loss of income or expenses from reinsurance contracts
D13 Primary financial statements	2.2.2.4-1	Pattern of release of premiums other than the passage of time – example
D13 Primary financial statements	2.2.3-1	Treatment of risk adjustment for non-financial risk as part of insurance service expense
D13 Primary financial statements	2.2.3-2	Treatment of risk adjustment for non-financial risk as part of insurance service expense – example
D13 Primary financial statements	2.2.3-3	Other incurred insurance service expenses
D13 Primary financial statements	2.3.2.3-1	Systematic allocation of the insurance finance income or expenses arising from the estimates of future cash flows based on the constant rate – example
D13 Primary financial statements	2.3.2.4-1	Calculating a constant factor when systematic allocation of expected insurance finance income or expenses is based on the crediting rate – example
D13 Primary financial statements	2.3.2.6-1	Impact of change in the fair value of the entity's share of underlying items on the total insurance finance expense for direct participating contracts – example
D13 Primary financial statements	2.3.2.7-1	Applying risk mitigation and disaggregated presentation for direct participating contracts where for which the entity holds the underlying items – example
D14 Disclosure	2.1-1	Reconciliation table required by IFRS 17:99 and 100
D14 Disclosure	2.3-1	Reconciliation table required by IFRS 17:101
D14 Disclosure	4-1	Determining cumulative OCI amounts for disaggregated presentation on transition to IFRS 17
D14 Disclosure	6.1-1	Disclosures about entity's exposures to risks
D14 Disclosure	6.3-1	Presenting information about sensitivities to changes in risk exposures arising from insurance contracts
D14 Disclosure	6.4-1	Disclosure of information about claims development
D14 Disclosure	6.5-1	Additional disclosures required for credit risk
D14 Disclosure	6.6-1	Additional disclosures required for liquidity risk

D15 Effective date and transition	1.2-1	Presentation of comparative information in interim financial statements in the year of transition to IFRS 17
D15 Effective date and transition	1.2-2	Entity presents two annual comparative periods in the year of transition to IFRS 17
D15 Effective date and transition	3.5.2-1	Modified estimation of expected future cash flows on initial recognition – example
D15 Effective date and transition	3.6-1	Estimation of changes in the risk adjustment for non-financial risk caused by release from risk before the date of transition when applying the modified retrospective approach – example
D15 Effective date and transition	3.6-2	Determining the total CSM applying the modified retrospective approach – example
D15 Effective date and transition	3.6-3	Determining the loss component applying the modified retrospective approach – example
D15 Effective date and transition	4-1	Subsequent measurement and recognition of revenue for a group of direct participating contracts that at transition are estimated to have been onerous on initial recognition – example

Deloitte IFRS communications and publications

Issuance Date	Description
11 January 2022	<i>IFRS on Point—December 2021</i>

Comment letters

	Description	Receiving party	Comment letter submitted/deadline
Comment letters submitted	Exposure Draft: ED/2021/3 Disclosure Requirements in IFRS Standards—A Pilot Approach	IASB	06/01/2022
	Request for Information: Post-implementation Review of IFRS 9—Classification and Measurement	IASB	28/01/2022
	Exposure Draft: ED/2021/7 Subsidiaries without Public Accountability: Disclosures	IASB	31/01/2022
Comment letters pending	Tentative Agenda Decision: Principal versus Agent: Software Reseller (IFRS 15)	IFRS IC	08/02/2022
	Exposure Draft: ED/2021/9 Non-current Liabilities with Covenants	IASB	21/03/2022
	Exposure Draft: ED/2021/10 Supplier Finance Arrangements	IASB	28/03/2022

Effective dates

Click [here](#) for upcoming and recent effective dates.

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- 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

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