



IFRS on Point

Financial and Sustainability Reporting Developments and Information from March 2023

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International Headlines

[IASB proposes amendments to the classification and measurement requirements of financial instruments](#)

The International Accounting Standards Board (IASB) has proposed amendments to IFRS 9 and IFRS 7 in Exposure Draft (ED) IASB/ED/2023/2 *Amendments to the Classification and Measurement of Financial Instruments*.

In the ED, the IASB proposes amendments to IFRS 9 to address:

- Derecognition of a financial liability settled through electronic transfer
- Classification of financial assets—contractual terms that are consistent with a basic lending arrangement
- Classification of financial assets—financial assets with non-recourse features
- Classification of financial assets—contractually linked instruments

With regard to IFRS 7, the following amendments are proposed:

- Disclosures—investments in equity instruments designated at fair value through other comprehensive income
- Disclosures—contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event

The need for these amendments was identified as a result of the IASB's post-implementation review (PIR) of the classification and measurement requirements of IFRS 9.

The ED does not specify an effective date for the amendments. Entities would be required to apply the amendments retrospectively. Restatement of comparative information would not be required but would be permitted if it is possible to do so without hindsight.

Please click to access the following:

- [Press release](#) on the IFRS Foundation website
- [Exposure Draft](#) on the IFRS Foundation website
- [Snapshot](#) on the IFRS Foundation website
- [iGAAP in Focus](#) newsletter on IAS Plus

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

IASB meeting (March 2023)

The IASB met on 20-23 March 2023. The following topics were discussed:

- IASB work plan update
- PIR of IFRS 15 *Revenue from Contracts with Customers*
- Equity Method
- Business Combinations—Disclosures, Goodwill and Impairment
- Primary Financial Statements
- Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures
- Climate-related Risks in the Financial Statements

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 recordings of the meeting on the IFRS Foundation website
- **Work plan analysis** on IAS Plus
- **Detailed meeting summaries** taken by Deloitte observers on IAS Plus

ISSB meeting (March 2023)

The International Sustainability Standards Board (ISSB) met on 16 March 2023. The following topics were discussed:

- International Applicability of the SASB Standards
- 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 recordings of the meeting on the IFRS Foundation website
- **Detailed meeting summaries** taken by Deloitte observers on IAS Plus

IFRS IC meeting (March 2023)

The IFRS Interpretations Committee (IFRS IC) met on 14-15 March 2023. The IFRS IC discussed three items for initial consideration, comment letters on one tentative agenda decision, two potential annual improvements to IFRS Accounting Standards, and one other matter:

Items for initial consideration:

- IFRS 9 *Financial Instruments*: Guarantee over a Derivative Contract
- IFRS 17 *Insurance Contracts* and IFRS 9 *Financial Instruments*: Premiums Receivable from an Intermediary
- Homes and Home Loans Provided to Employees

Comment letters on tentative agenda decision: IFRS 16 *Leases*: Definition of a Lease—Substitution Rights

Potential annual improvements to IFRS Accounting Standards:

- IFRS 9 *Financial Instruments* and IFRS 16 *Leases*: Lessee accounting for lease payments forgiven
- Guidance on implementing IFRS 7 *Financial Instruments: Disclosures*: Disclosure of deferred difference between fair value and transaction price

Other matter: Input on IASB project: Business Combinations—Disclosures, Goodwill and Impairment

Please click to access the following:

- **IFRIC Update** on the IFRS Foundation website
- **Meeting page** with links to the agenda, agenda papers and recordings of the meeting on the IFRS Foundation website
- **Detailed meeting summaries** taken by Deloitte observers on IAS Plus

IASB launches new project to explore climate-related risk reporting in financial statements

The IASB has launched a new project aimed at exploring ways for entities to provide better information about climate-related risks in their financial statements. The project was initiated in response to feedback from the IASB's recent Agenda Consultation.

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

- **Press release**
- **Statement by IASB Chair Andreas Barckow**
- **Article by IASB Chair Andreas Barckow and ISSB Chair Emmanuel Faber on connectivity**

2023 IFRS Accounting Taxonomy published

The IFRS Foundation has published its 2023 IFRS Accounting Taxonomy. The IFRS Accounting Taxonomy enables electronic reporting of financial information prepared in accordance with IFRS Accounting Standards.

The 2023 IFRS Accounting Taxonomy is consistent with IFRS Accounting Standards as issued by the IASB at 1 January 2023, including those issued but not yet effective. The 2023 IFRS Taxonomy also incorporates the two changes to the IFRS Taxonomy in 2022 reflecting amended IFRS Accounting Standards and common reporting practice by entities that apply IFRS Accounting Standards as well as general taxonomy improvements.

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

- **Press release**
- **2023 IFRS Accounting Taxonomy page**

IASB's targeted standards-level review of disclosures project yields improved approach to developing IFRS Accounting Standards disclosures

The IASB has concluded its project which aimed at improving its approach to developing disclosure requirements in IFRS Accounting Standards, with a focus on helping entities provide more useful information to investors. The IASB has published guidance summarising the improved approach.

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

- **Press release**
- **Project summary and feedback statement**

Summary of the January 2023 interim IFASS meeting

A summary has been published of the interim meeting of the International Forum of Accounting Standard Setters (IFASS) held on 12 January 2023.

The following topics were discussed:

- IASB and ISSB update
- Connection between financial and sustainability reporting
- IAS 12 temporary exception amendment
- Qualitative research on the first-time application of IFRS 16 in France
- Transition relief and ongoing practical expedients in IFRS 16

Please click to access the **meeting summary** on IAS Plus.

Summary of the February 2023 ASAF meeting

The IFRS Foundation has published a summary of the Accounting Standards Advisory Forum (ASAF) meeting held on 10 February 2023, during which the ASAF discussed the IASB's ED on International Tax Reform—Pillar Two Model Rules.

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

Summary of the February 2023 ITCG meeting

The IFRS Foundation has published a summary of the IFRS Taxonomy Consultative Group (ITCG) meeting held on 27-28 February 2023.

The following topics were discussed:

- IASB digital financial reporting strategy update
- IFRS Accounting Taxonomy:
 - Digital representation of subtotals and categories in the statement of profit or loss
 - Feedback on IFRS Accounting Taxonomy 2022 Proposed Update 1
 - Financial instruments common practice review
- IFRS Sustainability Disclosure Taxonomy:
 - General update
 - Facilitating use in jurisdictions that do not permit extensions

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

Summary of the March 2023 DPOC meeting

The IFRS Foundation has published a summary of the Due Process Oversight Committee (DPOC) meeting held on 1 March 2023.

The following topics were discussed:

- IASB-related matters—update on IASB technical activities
- ISSB-related matters:
 - Update on ISSB technical activities
 - Due process ‘lifecycle’ review of the development of IFRS S1 and IFRS S2
 - Request for approval of shortened comment periods for the Request for Information (RFI) for the ISSB’s consultation on agenda priorities and the ED for the Methodology to Enhance the International Applicability of SASB Standards
 - SASB Standards taxonomy due process
 - Interim approach to ISSB taxonomy consultative group

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

Summary of the March 2023 IFRS Foundation Trustees meeting

The IFRS Foundation has published a summary of the IFRS Foundation Trustees meeting held on 1-3 March 2023.

The following topics were discussed:

- Reports of the Chair of the Trustees and the Executive Director
- Integrated thinking and integrated reporting
- Report of the Chairs of the IASB and ISSB
- ‘Scorecard’ on key requirements for success
- Report of the Chair of the Advisory Council
- Annual review of key organisational risks
- Assurance
- IFRS Foundation Transitional Advisory Group
- Integrated Reporting and Connectivity Council
- Reports from the Trustee Committee meetings
- Stakeholder engagement
- Meeting with the Monitoring Board

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

IFRS Sustainability Symposium’s key takeaways

On 17 February 2023, the ISSB hosted a Sustainability Symposium in Montreal where more than 1,000 people from 45 countries gathered to discuss what is next for investor-focused sustainability disclosure. Seven key takeaways from the symposium stood out:

- The ISSB Standards are nearing issuance (expected by Q2 2023)
- SASB Standards are a practical tool to implement IFRS S1 and IFRS S2 and will be supported for at least four years
- Global comparability remains paramount
- Jurisdictions are actively considering the ISSB Standards
- Capacity building is critical to the ISSB’s success. The ISSB has pledged to publish guidance recognising that entities have different levels of preparedness and capability to apply IFRS S1 and IFRS S2
- Work to advance integrated reporting remains underway
- There is growing support for sustainability disclosures in the private sector

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

IFRS Foundation and FASF of Japan sign MoU

The IFRS Foundation Trustees and the Financial Accounting Standards Foundation (FASF) of Japan have signed a Memorandum of Understanding (MoU) which extends financial support to the IFRS Foundation by the FASF.

The MoU extends the commitment by five years and includes support for the work by the ISSB.

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

IFRS Foundation boards meet with Japanese counterparts

Representatives of the IASB and the ISSB have met with representatives of the Accounting Standards Board of Japan (ASBJ) and the Sustainability Standards Board of Japan (SSBJ), respectively.

While the ASBJ is a long-established standard-setter that has worked closely with the IASB for many years, the SSBJ has only recently been set up. It is working on its own set of sustainability disclosure standards with exposure drafts to be published no later than 31 March 2024 and final standards to be published no later than 31 March 2025. The SSBJ plans to incorporate ISSB Standards into the Japanese requirements.

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

- **Press release** for the IASB-ASBJ meeting
- **Press release** for the ISSB-SSBJ meeting

IFRS Foundation seeks new SMEIG members

The IFRS Foundation Trustees are currently seeking nominations for membership of the SME Implementation Group (SMEIG), which supports the international adoption of the 'International Financial Reporting Standards for Small and Medium-sized Entities' (*IFRS for SMEs*) and monitors its implementation.

The Trustees are inviting applications from all geographical regions. They encourage applications from candidates who use the financial statements of small and medium-sized entities (investors and providers of finance).

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

EC requests EFRAG to concentrate on the implementation of Set 1 of the ESRS

On 22 November 2022, EFRAG submitted its first set of draft European Sustainability Reporting Standards (ESRS) to the European Commission (EC) and began working on Set 2 of the ESRS, which would contain sector-specific standards. EFRAG has now been requested to concentrate on providing additional guidance on how to apply the proposed standards in Set 1.

Please click to access the **transcript of Commissioner McGuinness' speech** containing the request on the EC website.

Basis for conclusions on draft ESRS published

EFRAG has published the basis for conclusions for each draft ESRS. The basis for conclusions illustrates the objective and context of each draft standard, the process followed in its preparation, the reasons to include in the standard a disclosure requirement, when relevant the alternative considered, the references to other standard-setting initiatives or European or other relevant regulations and, where appropriate, the argument supporting the need for granular guidance.

Please click to access the **draft standards with basis for conclusions** on the EFRAG website.

EFRAG series of videos on the first set of draft ESRS

EFRAG has produced a series of 20 educational videos dedicated to the first set of draft ESRS. Ten of these videos, titled "Glimpses", offer an overview of the standards and the other ten videos, titled "Educational sessions" discuss the draft standards in more detail.

Please click to access the **videos** on the EFRAG 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 Accounting Standards.

Please click to access the **updated alignment dashboard** on the IPSASB 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	4.3A.12.4-1	Current/non-current: classification of asset-backed securities—example (entities that have adopted the January 2020 and October 2022 amendments)
A12 Provisions, contingent liabilities and contingent assets	3.5.3-3	Obligation to offset negative credits arising from CO2e emissions—example
A15 Employee benefits	7.3.7.3-3	Accounting for a loan provided to a defined benefit scheme—example
A17 Leases	11.2.1.5-1	Recognition of lease income when there is significant doubt on collectability of lease payments
A21 Statement of cash flows	4.2.3-4	Classification of fixed term deposits with a maturity of longer than three months—example

Amended Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A21 Statement of cash flows	5.4.3-1	Sale and leaseback transactions
A4 Presentation of financial statements	4.3B.7.5-1	Current/non-current: classification of asset-backed securities (entities that have not adopted the January 2020 and October 2022 amendments)—example

Deloitte IFRS communications and publications

Issuance Date	Description
07 March 2023	<i>IFRS on Point</i>—February 2023
23 March 2023	<i>iGAAP in Focus</i>—Financial Reporting: IASB proposes amendments to the classification and measurement requirements of financial instruments

Comment letters

	Description	Receiving party	Comment letter submitted/deadline
Comment letters submitted	IASB/ED/2023/1—International Tax Reform—Pillar Two Model Rules	IASB	10/03/2023
	Survey on the need for GHG protocol corporate standards and guidance updates	GHG Protocol Secretariat	14/03/2023
Comment letters pending	Tentative Agenda Decision—Premiums Receivable from an Intermediary (IFRS 17 and IFRS 9)	IFRS IC	22/05/2023
	Tentative Agenda Decision—Guarantee over a Derivative Contract (IFRS 9)	IFRS IC	22/05/2023
	Tentative Agenda Decision—Homes and Home Loans Provided to Employees	IFRS IC	22/05/2023
	IASB/ED/2023/2—Amendments to the Classification and Measurement of Financial Instruments	IASB	19/07/2023

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 **sustainability reporting** volume of iGAAP provides 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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