



IFRS on Point

Financial and Sustainability Reporting Developments and Information from March 2024

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IASB proposes enhanced information on acquisitions

The International Accounting Standards Board (IASB) published exposure draft IASB/ED/2024/1 *Business Combinations—Disclosures, Goodwill and Impairment (Proposed amendments to IFRS 3 and IAS 36)*.

The objective of the proposed amendments to IFRS 3 is to require entities to provide users with better information about the performance of a business combination as a reasonable cost. For strategic business combinations, an entity would be required to provide information about its acquisition-date key objectives and related targets for the business combination and whether these key objectives and related targets are being met. An entity would only have to disclose information that is reviewed by its key management personnel. Entities would be exempted from disclosing some of the information if that information is commercially sensitive or would expose the entity to litigation risk. The ED includes several other proposed amendments to the disclosure requirements in IFRS 3, including new disclosure objectives.

The proposed amendments to IAS 36 aim to mitigate the two main reasons for the concerns about the timeliness of impairment losses on goodwill (management over-optimism and shielding) by:

- providing additional guidance on how to allocate goodwill to cash generating units (CGUs)
- requiring entities to disclose in which reportable segment a CGU containing goodwill is included.

The amendments would also make changes to how an entity calculates an asset's value in use.

The ED does not specify an effective date for the amendments. Entities would be required to apply the amendments prospectively. Comments are requested by 15 July 2024.

Please click to access the following:

- **press release** on the IFRS Foundation website
- **ED** on the IFRS Foundation website
- **Snapshot** offering an overview of the proposals on the IFRS Foundation website
- **video** explaining the proposals on the IFRS Foundation website
- **Investor Perspectives** article from IASB member Zach Gast on the IFRS Foundation website
- **iGAAP in Focus newsletter** discussing the proposals on IAS Plus.

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

IASB proposes addendum to exposure draft *Third Edition of the IFRS for SMEs Accounting Standard*

The IASB has published exposure draft IASB/ED/2024/2 *Addendum to the Exposure Draft Third Edition of the IFRS for SMEs Accounting Standard*. In the ED, the IASB proposes further amendments to the *IFRS for SMEs* standard as part of its second comprehensive review of the standard.

In particular, the IASB proposes amendments to:

- Section 7 *Statement of Cash Flows* to align with the amendments to IAS 7 *Statement of Cash Flows* for supplier finance arrangements
- Section 30 *Foreign Currency Translation* to align with the amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* for lack of exchangeability.

Comments are requested by 31 July 2024.

Please click to access the following:

- **press release** on the IFRS Foundation website
- **ED** on the IFRS Foundation website.

IASB meeting (March 2024)

The IASB met on 18-21 March 2024. The following topics were discussed:

- IASB work plan update
- post-implementation review (PIR) of IFRS 15 *Revenue from Contracts with Customers*
- rate-regulated activities
- equity method
- climate-related and other uncertainties in the financial statements
- management commentary
- PIR of IFRS 9 *Financial Instruments*—impairment
- second comprehensive review of the *IFRS for SMEs* accounting standard
- updating the *Subsidiaries without Public Accountability: Disclosures* standard
- power purchase agreements
- use of a hyperinflationary presentation currency by a non-hyperinflationary entity.

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 summary** on IAS Plus.

ISSB meeting (March 2024)

The International Sustainability Standards Board (ISSB) met on 13 March 2024 to discuss its 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 summary** on IAS Plus.

IFRS IC meeting (March 2024)

The IFRS Interpretations Committee (IFRS IC) met on 5 March 2024. The IFRS IC discussed the finalisation of two agenda decisions and gave input into one IASB project:

Finalisation of agenda decisions:

- IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*—climate-related commitment
- IFRS 3 *Business Combinations*—payments contingent on continued employment during handover periods.

IFRS IC input into IASB projects:

- PIR of IFRS 9 *Financial Instruments*—impairment.

Please click to access the following:

- **IFRIC Update** 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
- **detailed meeting summary** on IAS Plus.

TIG meeting (March 2024)

The Transition Implementation Group on IFRS S1 and IFRS S2 (TIG) met on 15 March 2024. The following topics were discussed:

- application of IFRS S2:29(b)-(c), using the ISSB standards and related materials
- revision of preceding period estimated amounts.

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.

GPF meeting (March 2024)

The Global Preparers Forum (GPF) met on 1 March 2024. The following topics were discussed:

- update on the IASB's activities
- financial instruments with characteristics of equity
- update on the ISSB's activities.

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.

CMAC meeting (March 2024)

The Capital Markets Advisory Committee (CMAC) met on 8 March 2024. The following topics were discussed:

- IASB update
- ISSB update
- financial instruments with characteristics of equity
- PIR of IFRS 9 *Financial Instruments*—impairment.

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.

SSAF meeting (March 2024)

The Sustainability Standards Advisory Forum (SSAF) met on 11 March 2024. The following topics were discussed:

- ISSB consultation on agenda priorities
- IFRS sustainability disclosure taxonomy
- update on educational material on IFRS S1 and IFRS S2
- enhancing the Sustainability Accounting Standards Board (SASB) standards
- agenda planning.

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.

DPOC meeting (March 2024)

The Due Process Oversight Committee (DPOC) met on 21 March 2024. The DPOC approved a shortened comment period for the IASB exposure draft on power purchase agreements expected to be published in May 2024.

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.

ASAF meeting (March 2024)

The Accounting Standards Advisory Forum (ASAF) met on 25-26 March 2024. The following topics were discussed:

- agenda planning and feedback from previous ASAF meetings
- subsidiaries without public accountability: disclosures
- rate-regulated activities
- PIR of IFRS 9 *Financial Instruments*—impairment
- amendments to the classification and measurement of financial instruments
- PIR of IFRS 15 *Revenue from Contracts with Customers*
- climate-related and other uncertainties in the financial statements
- EFRAG project on variable consideration
- financial instruments with characteristics of equity.

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.

IFRS Foundation publishes 2024 IFRS Accounting Taxonomy

The IFRS Foundation has published its 2024 IFRS Accounting Taxonomy, which is based on IFRS Accounting Standards as at 1 January 2024, including Standards issued but not yet effective.

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

- **press release**
- **2024 IFRS Accounting Taxonomy page.**

IFRS Foundation conference announced

The IFRS Foundation has announced its annual conference, which will be held on 24-25 June 2024 in London. The conference will include discussions and speeches on IASB and ISSB developments.

Please click to access the **conference page** on the IFRS Foundation website.

ISSB Chair meets leaders in Africa

The Chair of the ISSB, Emmanuel Faber, has met with the presidents of Kenya and Nigeria, as well as government ministers in South Africa. He was accompanied by ISSB member Ndidi Nnoli-Edozien.

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

IFRS Foundation Monitoring Board discusses the ongoing activities of the IFRS Foundation

The IFRS Foundation Monitoring Board has released a report on its meeting with the IFRS Trustees and the leadership of the IASB and ISSB.

Please click to access the **report** on the International Organization of Securities Commissions (IOSCO) website.

Chair of the IFRS Foundation Trustees reappointed

Erkki Liikanen has been reappointed as Chair of the IFRS Foundation Trustees, extending his tenure until September 2027.

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

IFRS Foundation announces new ITCG members

The IFRS Foundation has announced the appointments and reappointments of several members of the IFRS Taxonomy Consultative Group (ITCG). All appointments and reappointments take effect from 1 April 2024.

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

IFRS Foundation seeks IASB members from Asia-Oceania and Trustees

The IFRS Foundation is seeking nominations for two vacancies on the IASB from Asia-Oceania. In addition, the IFRS Foundation is seeking Trustees from Africa, two from Asia-Oceania, and one from any part of the world for terms beginning on 1 January 2025.

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

- **press release** on IASB members
- **press release** on Trustees.

ESMA publishes its 2023 corporate reporting enforcement and regulatory activities report

The European Securities and Markets Authority (ESMA) has published an overview of its activities and those of national enforcers in the European Economic Area when examining compliance of financial and non-financial information provided by issuers, for the year ended 31 December. The report also presents the main activities contributing to supervisory convergence performed at European level.

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

EFRAG publishes second set of technical explanations on ERS standards

EFRAG has published the second set of technical explanations to assist stakeholders in the implementation of the European Sustainability Reporting Standards (ESRS).

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

SEC adopts rule that will require entities to disclose climate-related information

The US Securities and Exchange Commission (SEC) has adopted a rule titled *The Enhancement and Standardization of Climate-Related Disclosures for Investors* that requires registrants to provide climate-related disclosures in their annual reports and registration statements. Disclosures will be required both inside and outside of the financial statements.

The final rule will become effective 60 days after publication in the Federal Register, and compliance will be phased in from 2025 to 2033.

Please click to access the following:

- **press release, text of the final rule and fact sheet**, as well as statements by SEC Chair **Gary Gensler** and Commissioners **Caroline A. Crenshaw**, **Jaime Lizárraga**, **Hester M. Peirce** and **Mark T. Uyeda** on the SEC website
- Deloitte's **iGAAP in Focus—Sustainability reporting: SEC adopts rule that requires climate-related disclosures** on IAS Plus
- Deloitte's **Heads Up—Comprehensive Analysis of the SEC's Landmark Climate Disclosure Rule** on IAS Plus.

GHG Protocol releases draft summaries of scope 3 standard feedback

The GHG Protocol secretariat has released a draft summary report providing a detailed overview of stakeholder feedback from a survey it conducted on its scope 3 standard. In addition, the secretariat has released an overview of proposal submissions related to the scope 3 standard.

Please click to access the following on the GHG Protocol website:

- **detailed summary of scope 3 stakeholder survey responses**
- **summary of scope 3 proposals.**

GRI publishes guidance documents on double materiality, due diligence and CSR

The Global Reporting Initiative (GRI) has published three new documents titled *Guides for Policy Makers*. The guides discuss double materiality, due diligence and the Corporate Sustainability Reporting Directive (CSRD).

Please click to access the documents via the **press release** on the GRI website.

CSSB publishes exposure drafts for first Canadian Sustainability Disclosure Standards

The Canadian Sustainability Standards Board (CSSB) has published its proposals for the first Canadian Sustainability Disclosure Standards (CSDS) based on IFRS S1 and IFRS S2. The consultation period is open until 10 June 2024.

Please click to access the following on the Financial Reporting and Assurance Standards (FRAS) Canada website:

- **press release**
- **proposed criteria for modification framework**
- **proposed CSDS 1**
- **proposed CSDS 2**
- **In Brief—A plain and simple overview of the recently issued Exposure Drafts.**

Singapore consults on incorporation of the ISSB standards

The Singapore Exchange Regulation (SGX RegCo) has published a consultation paper titled *Sustainability Reporting: Enhancing Consistency and Comparability*. With the paper, SGX RegCo solicits feedback from the market on how the standards of the ISSB should be incorporated into the Singapore reporting requirements for climate-related disclosures. The consultation period is open until 5 April 2024.

Please click to access the consultation paper via the **press release** on the SGX RegCo website.

Hong Kong commits to aligning local sustainability disclosure requirements with the ISSB standards

The Hong Kong Financial Services and Treasury Bureau (FSTB) has published a vision and approach of the Government and financial regulators for developing a sustainability disclosure ecosystem in Hong Kong. In the statement, the FSTB commits to aligning the local sustainability disclosure requirements with the ISSB standards.

Please click to access the **vision statement** on the Hong Kong Government website.

Central Bank of India publishes draft disclosure framework for climate-related financial risks

India's Central Bank, the Reserve Bank of India (RBI), has published a draft disclosure framework for regulated banks on climate-related financial risks. The comment period for the draft framework ends on 30 April 2024.

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

C&S annual report reveals increase in sustainability policies

Carrots & Sticks (C&S) has published the 2023 edition of its annual report, which presents a comprehensive assessment of environmental, social and governance (ESG) and sustainability policy worldwide. The report highlights the expanding nature of ESG and sustainability policies since 2020.

Please click to access the **report** on the C&S website.

Fifth IVSC perspectives paper on intangible assets

The International Valuation Standards Council (IVSC) has published the fifth in a series of perspectives papers titled *Time to get Tangible about Intangible Assets*. The fifth paper is titled *Valuing Data*.

Please click to access the **paper** on the IVSC website.

Deloitte IFRS communications and publications

Publication Date	Description
06 Mar 2024	IFRS on Point—February 2024
08 Mar 2024	iGAAP in Focus—Sustainability reporting: SEC adopts rule that requires climate-related disclosures
15 Mar 2024	iGAAP in Focus—European sustainability reporting: EFRAG proposes ESRS for listed small- and medium-sized enterprises
18 Mar 2024	iGAAP in Focus—Financial reporting: IASB proposes amendments to improve reporting on acquisitions

Comment letters

	Description	Receiving party	Comment letter submitted / deadline
Comment letters submitted	GRI Topic Standard Project for Climate Change — <i>Climate Change and Energy exposure drafts</i>	GRI	5 March 2024
	IASB/ED/2023/5 <i>Financial Instruments with Characteristics of Equity—Proposed amendments to IAS 32, IFRS 7 and IAS 1</i>	IASB	28 March 2024
Comment letters pending	IASB/ED/2024/1 <i>Business Combinations—Disclosures, Goodwill and Impairment</i>	IASB	15 July 2023
	IASB/ED/2024/2 <i>Addendum to the Exposure Draft Third edition of the IFRS for SMEs Accounting Standard</i>	IASB	31 July 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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