



IFRS on Point

Financial and Sustainability Reporting Developments and Information from May 2023

International Headlines

Updates to Deloitte iGAAP manual

Deloitte IFRS communications and publications

Comment letters

Effective dates

International Headlines

IASB publishes amendments to IAS 12 to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes

The International Accounting Standards Board (IASB) has published *International Tax Reform—Pillar Two Model Rules—Amendments to IAS 12* to introduce a temporary exception from accounting for deferred taxes arising from the implementation of the OECD Pillar Two model rules, together with targeted disclosure requirements for affected entities.

Applying the exception, an entity does not recognise deferred tax assets and liabilities related to the OECD Pillar Two income taxes. It also does not disclose any information about these deferred tax assets and liabilities.

In periods in which Pillar Two legislation is enacted or substantively enacted, but not yet in effect, an entity is required to disclose known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two income taxes arising from that legislation.

The amendments require that an entity applies the exception—and the requirement to disclose that it has applied the exception—immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.

Please click to access the following:

- **Press release** on the IFRS Foundation website
- **The text of the amendments** on DART [subscribers only]
- **iGAAP in Focus** newsletter on IAS Plus

IASB publishes amendments to IAS 7 and IFRS 7 regarding supplier finance arrangements

The IASB has published *Supplier Finance Arrangements—Amendments to IAS 7 and IFRS 7* to require entities to provide qualitative and quantitative information about their supplier finance arrangements. The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. They contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments.

Please click to access the following:

- **Press release** on the IFRS Foundation website
- **Text of the amendments** on DART [subscribers only]
- **Webcast** and **Investor Perspectives article** on the IFRS Foundation website
- **iGAAP in Focus** newsletter on IAS Plus

IASB proposes amendments to the IFRS for SMEs Accounting Standard to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes

The IASB has published Exposure Draft (ED) IASB/ED/2023/3 *International Tax Reform—Pillar Two Model Rules—Proposed amendments to the IFRS for SMEs Accounting Standard*. The ED proposes amendments to Section 29 *Income Tax* of the IFRS for SMEs Accounting Standard to introduce a temporary exception to the requirement to recognise deferred tax assets and liabilities related to Pillar Two income taxes and the requirement to disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

The proposed amendments would also introduce targeted disclosure requirements for affected SMEs in periods when Pillar Two legislation is in effect.

The exception would be effective immediately upon issue of the amendments and would apply retrospectively in accordance with Section 10 *Accounting Policies, Estimates and Errors* of the IFRS for SMEs Accounting Standard.

The comment period for the ED ends on 17 July 2023.

Please click to access the following:

- **Press release** on the IFRS Foundation website
- **Exposure Draft** on the IFRS Foundation website
- **iGAAP in Focus** newsletter on IAS Plus

IASB publishes second request for information on the post-implementation review of IFRS 9

The IASB has published Request for Information (RFI) *Post-implementation Review of IFRS 9—Impairment* seeking comments from stakeholders to identify whether the impairment requirements in IFRS 9 provide information that is useful to users of financial statements, whether there are requirements that are difficult to implement and may prevent the consistent implementation of the Standard, and whether unexpected costs have arisen in connection with applying or enforcing the Standard.

In particular, the IASB is asking questions on the following areas of the impairment requirements in IFRS 9:

- Impairment
- The general approach to recognising expected credit losses
- Determining significant increases in credit risk
- Measuring expected credit losses
- Simplified approach for trade receivables, contract assets and lease receivables
- Purchased or originated credit-impaired financial assets
- Application of the impairment requirements in IFRS 9 with other requirements
- Transition
- Credit risk disclosures
- Other matters

The RFI is open for comments until 27 September 2023.

Please click to access the following:

- **Press release** on the IFRS Foundation website
- **Request for Information** on the IFRS Foundation website
- **iGAAP in Focus** newsletter on IAS Plus

In addition, on 30 June 2023, the IASB, the European Accounting Association (EAA) and EFRAG will offer a joint virtual research workshop. The workshop will provide an overview of the IASB's RFI on the Post-implementation Review of IFRS 9—Impairment.

Please click to access the **more information** on the IFRS Foundation website.

ISSB launches consultation on its future work programme

The International Sustainability Standards Board (ISSB) has published RFI *Consultation on Agenda Priorities*. The RFI launches a public consultation to seek broad public input on the strategic direction and overall balance of the ISSB's future work programme as well as sustainability-related matters the ISSB could take up.

In the RFI, the ISSB is seeking views on:

- The strategic direction and balance of ISSB activities for its next two-year work plan
- The suitability of proposed criteria for assessing the priority of sustainability-related matters (including topics, industries and activities) that could be added to the ISSB's work plan
- A proposed list of sustainability-related matters (including topics, industries and activities) that could be added to the ISSB's work plan

The RFI also encourages respondents to share other comments on the ISSB's activities and work plan.

Comments on the RFI are requested by 1 September 2023.

Please click to access the following:

- **Press release** on the IFRS Foundation website
- **Request for Information** on the IFRS Foundation website
- **iGAAP in Focus** newsletter on IAS Plus

ISSB publishes draft methodology for improving the international applicability of the SASB standards

The ISSB has published Exposure Draft ISSB/ED/2023/1 *Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates*. The ED proposes the methodology to revise non-climate-related SASB Standards metrics to improve their international applicability when they contain a jurisdiction-specific reference.

The ED explains five revision approaches to enhance the international applicability of non-climate-related SASB Standards metrics. Every disclosure topic, metric and technical protocol amended using the methodology will apply these five revision approaches, either individually or in combination.

The ED also describes the proposed approach to updating the SASB Standards Taxonomy to reflect amendments to the SASB Standards. The comment period for the ED ends on 9 August 2023.

Please click to access the following:

- **Press release** on the IFRS Foundation website
- **Exposure Draft** on the IFRS Foundation website
- **iGAAP in Focus** newsletter on IAS Plus

IASB meeting (May 2023)

The IASB met on 22-24 May 2023. The following topics were discussed:

- IASB work plan update
- Dynamic Risk Management
- Financial Instruments with Characteristics of Equity
- Post-implementation Review of IFRS 15
- Rate-regulated Activities
- Management Commentary
- Business Combinations—Disclosures, Goodwill and Impairment
- Primary Financial Statements
- Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures
- Annual Improvements to IFRS Accounting Standards

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

IASB supplementary meeting (May 2023)

The IASB met on 3 May 2023 to discuss Amendments to the *IFRS for SMEs* Standard—International Tax Reform—Pillar Two Model Rules.

Please click to access the following:

- **IASB 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 summary** taken by Deloitte observers on IAS Plus

ISSB meeting (May 2023)

The ISSB met on 18 May 2023 to discuss Maintenance of the SASB Standards.

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

EEG meeting (May 2023)

The Emerging Economies Group (EEG) met on 10-11 May 2023. The following topics were discussed:

- Climate-related Risks in Financial Statements
- Carbon Offset
- Amendments to the Classification and Measurement of Financial Instruments
- Primary Financial Statements
- Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures
- Business Combinations under Common Control
- Update on IASB and IFRS Interpretations Committee Activities

Please click to access the **meeting page** with links to the agenda, agenda papers and recordings of the meeting on the IFRS Foundation website.

Islamic Finance Consultative Group meeting (May 2023)

The Islamic Finance Consultative Group met on 31 May 2023. The following topics were discussed:

- Current practices on Mudarabah—Profit equalisation reserve
- Issues relating to the applicability of IAS 29 to Islamic financial institutions
- ISSB Update
- IASB and IFRS Interpretations Committee update

Please click to access the **meeting page** with links to the agenda, agenda papers and recordings of the meeting on the IFRS Foundation website.

Summary of the March 2023 CMAC meeting

A summary has been published of the Capital Markets Advisory Council (CMAC) meeting held on 9 March 2023.

The following topics were discussed:

- IASB Update
- ISSB Update
- Primary Financial Statements
- Business Combinations—Disclosures, Goodwill and Impairment
- Equity Method

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

Summary of the April 2023 IFRS Advisory Council meeting

A summary has been published of the IFRS Advisory Council meeting held on 4-5 April 2023.

The following topics were discussed:

- Future format of Advisory Council meetings
- Update on the IASB's activities
- Update on the ISSB's activities
- Facilitating market use of the IFRS Foundation's sustainability-related resources
- IFRS Foundation's sources of earned revenue
- Update on the Trustees' activities
- Management commentary and integrated reporting

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

Summary of the April 2023 SCC meeting

A summary has been published of the Sustainability Consultative Committee (SCC) meeting held on 4 April 2023.

The SCC discussed the Capacity Building programme and the ISSB Agenda Consultation.

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

Summary of the May 2023 DPOC meeting

A summary has been published of the IFRS Foundation Trustees Due Process Oversight Committee (DPOC) meeting held on 4 May 2023.

The DPOC approved a shortened comment period for IASB/ED/2023/3 *International Tax Reform—Pillar Two Model Rules—Proposed amendments to the IFRS for SMEs Accounting Standard* and received an update on the IFRS Taxonomy Consultative Group.

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

IFRS Foundation publishes eighth compilation of IFRS Interpretations Committee agenda decisions

The IFRS Foundation has published *Compilation of Agenda Decisions—Volume 8* which contains all the agenda decisions published by the IFRS Interpretations Committee between November 2022 and April 2023.

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

Webcast on the Equity Method project

Following its recent decision to move the Equity Method project from the research agenda to the standard-setting agenda, the IASB has released a webcast offering some background on the project. The webcast offers insights into the project's objective and approach, the IASB's tentative decisions, and the project's next steps.

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

Educational material on applying the IFRS for SMEs to climate-related matters

The IFRS Foundation has published educational material that explains how existing guidance in the *IFRS for SMEs Accounting Standard* requires entities to consider climate-related matters when their effect is material to the financial statements.

The publication mainly consists of a non-exhaustive list of examples illustrating when the *IFRS for SMEs* may require entities to consider the effects of climate-related matters in applying the principles in a number of sections.

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

Chair of the Trustees speaks at EAA Conference

Erkki Liikanen, Chair of the IFRS Foundation Trustees, spoke at the EAA Conference about relationships between the IFRS Foundation, its standard-setting boards, and the academic community around the world.

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

Call for papers—2024 IASB Research Forum

The IFRS Foundation has announced that it will host the 2024 IASB Research Forum in Sydney in November 2024 and is seeking research papers to help inform the IASB's standard-setting activities.

In particular, research papers are welcomed on the following research areas of interest:

- Intangible assets
- Statement of cash flows and related items
- Impact of IFRS 17
- Disclosure in financial reports, including:
 - Guidance for developing and drafting disclosure requirements in IFRS Accounting Standards
 - Segment reporting
 - Climate-related risks in the financial statements
 - Connectivity between the financial statements and sustainability-related financial disclosures
 - Management commentary and integrated reporting
- Any other topics on the IASB's work plan

Research papers are requested by 31 March 2024.

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

G7 underlines commitment to global sustainability disclosures

Following the G7 Leaders' Summit 2023, a joint declaration has been published that stresses the need for globally interoperable sustainability disclosure frameworks. The declaration mentions the work and progress of the ISSB and highlights the need of sustainability disclosures for mobilising private sector finance to support the transition to a sustainable economy.

Please click to access the **press release** on the Ministry of Foreign Affairs of Japan website.

EFRAG draft comment letter on the IASB's proposed amendments to classification and measurement of financial instruments

EFRAG has published its draft comment letter on the IASB's proposed amendments to the classification and measurement of financial instruments.

Please click to access the **draft comment letter** 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 Standards.

Please click to access the **updated alignment dashboard** on the IPSASB website.

IPSASB guidance on sustainability programme information

In light of the urgent need for sustainability reporting guidance for the public sector, the IPSASB has published Reporting Sustainability Program Information—Amendments to RPGs 1 and 3: Additional Non-Authoritative Guidance.

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

IVSC consults on proposed updates to IVS

The International Valuation Standards Council (IVSC) has launched a three-month consultation on proposed updates to the International Valuation Standards (IVS).

Key changes proposed in the consultation exposure draft include:

- Adoption of a structure that better aligns with the valuation process
- Additions or expansions to the requirements for data and inputs, valuation models, quality controls, and documentation to reflect the increased complexities of valuations
- Moving certain requirements between the General Standards and Asset Standards to ensure that the General Standards are applicable to all asset classes
- Moving certain information to Appendices to improve readability and to provide flexibility
- Clarification of the roles and responsibilities of the parties involved in valuation, such as service organisations and specialists
- Substantial revisions and enhancements to IVS 500 *Financial Instruments*

Please click to access the **exposure draft** on the IVSC website.

Updates to Deloitte iGAAP manual

Available at dart.deloitte.com/iGAAP [subscribers only].

Added Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A4 Presentation of financial statements	4.3A.7-1	Impact of expected non-compliance with covenants subsequent to the reporting period end on classification of a liability – example (entities that have adopted the January 2020 and October 2022 amendments)
A4 Presentation of financial statements	4.3A.8-1	Classification of a loan when there is a breach of covenant and a waiver is obtained before the reporting date – example (entities that have adopted the January 2020 and October 2022 amendments)
A13 Income taxes	2.11-1	Application of IAS 12 to Pillar Two income taxes
A14 Revenue from contracts with customers	11.3.9-2	Applicability of the sales- or usage-based royalty exception to agents
A17 Leases	13.3.1.1-4	Use of recognition exemptions in a sale and leaseback transaction
D9 Reinsurance contracts held	4.3.4-2	Reinsurance contracts with a unilateral cancellation clause subject to a notice period – example

Amended Deloitte Guidance

Chapter	Reference	Deloitte guidance title
A20 Non-current assets held for sale and discontinued operations	3.4.1-2	Dilution of interest in a subsidiary through rights offer – example
A21 Statement of cash flows	4.2.3-4	Classification of fixed term deposits with a maturity of longer than three months – example
D9 Reinsurance contracts held	4.3.4-1	Subsequent accounting for cash flows that on initial recognition are outside the cancellable reinsurance contract's boundary – example
D12 Derecognition	2-1	Derecognition of an insurance contract from a group of contracts and calculation of adjustments required by IFRS 17:76 – example

Deloitte IFRS communications and publications

Issuance Date	Description
03 May 2023	<i>A Closer Look—IAS 36 Impairment of non-financial assets—reminders and hot topics</i>
05 May 2023	<i>IFRS on Point—April 2023</i>
12 May 2023	<i>iGAAP in Focus—Sustainability reporting: ISSB seeks feedback on its agenda priorities</i>
15 May 2023	<i>iGAAP in Focus—Sustainability reporting: TNFD publishes final draft of its Nature-related Risk and Opportunity Management and Disclosure Framework</i>
15 May 2023	<i>iGAAP in Focus—Sustainability reporting: ISSB proposes methodology for enhancing the international applicability of the SASB Standards</i>
28 May 2023	<i>iGAAP in Focus—Financial reporting: IASB amends IAS 12 to introduce a temporary exception from accounting for deferred taxes arising from OECD Pillar Two model rules</i>
30 May 2023	<i>iGAAP in Focus—Financial reporting: IASB amends IAS 7 and IFRS 7 to address supplier finance arrangements</i>
2 June 2023	<i>iGAAP in Focus—Financial reporting: IASB seeks views on the post-implementation review of the IFRS 9 impairment requirements</i>
6 June 2023	<i>iGAAP in Focus—Financial reporting: IASB proposes amendments to the IFRS for SMEs for OECD tax reform</i>

Comment letters

	Description	Receiving party	Comment letter submitted/deadline
Comment letters submitted	Tentative Agenda Decision: Premiums Receivable from an Intermediary (IFRS 17 and IFRS 9)	IFRS IC	17/05/2023
	Tentative Agenda Decision: Guarantee over a Derivative Contract (IFRS 9)	IFRS IC	17/05/2023
	Tentative Agenda Decision: Homes and Home Loans Provided to Employees	IFRS IC	17/05/2023
Comment letters pending	IASB/ED/2023/3 International Tax Reform—Pillar Two Model Rules—Proposed Amendments to the IFRS for SMEs Standard	IASB	17/07/2023
	IASB/ED/2023/2—Amendments to the Classification and Measurement of Financial Instruments	IASB	19/07/2023
	ISSB/ED/2023/1—Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates	ISSB	09/08/2023
	Request for Information—Consultation on Agenda Priorities	ISSB	01/09/2023
	Request for Information—Post-implementation Review of IFRS 9—Impairment	IASB	27/09/2023

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](#).

Key contacts

Global IFRS and Corporate Reporting Leader

Veronica Poole

ifrsglobalofficeuk@deloitte.co.uk

IFRS Centres of Excellence

Americas		
<i>Argentina</i>	Fernando Lattuca	arifrscoe@deloitte.com
<i>Canada</i>	Karen Higgins	ifrsca@deloitte.ca
<i>Mexico</i>	Kevin Nishimura	mx_ifrs_coe@deloittemx.com
<i>United States</i>	Magnus Orrell	iasplus-us@deloitte.com
	Ignacio Perez	iasplus-us@deloitte.com
Asia-Pacific		
<i>Australia</i>	Anna Crawford	ifrs@deloitte.com.au
<i>China</i>	Gordon Lee	ifrs@deloitte.com.cn
<i>Japan</i>	Kazuaki Furuuchi	ifrs@tohatsu.co.jp
<i>Singapore</i>	Lin Leng Soh	ifrs-sg@deloitte.com
Europe-Africa		
<i>Belgium</i>	Thomas Carlier	ifrs-belgium@deloitte.com
<i>Denmark</i>	Søren Nielsen	ifrs@deloitte.dk
<i>France</i>	Irène Piquin Gable	ifrs@deloitte.fr
<i>Germany</i>	Jens Berger	ifrs@deloitte.de
<i>Italy</i>	Massimiliano Semprini	ifrs-it@deloitte.it
<i>Luxembourg</i>	Martin Flaunet	ifrs@deloitte.lu
<i>Netherlands</i>	Ralph Ter Hoeven	ifrs@deloitte.nl
<i>South Africa</i>	Nita Ranchod	ifrs@deloitte.co.za
<i>Spain</i>	Jose Luis Daroca	ifrs@deloitte.es
<i>Sweden</i>	Fredrik Walmeus	seifrs@deloitte.se
<i>Switzerland</i>	Nadine Kusche	ifrsdesk@deloitte.ch
<i>United Kingdom</i>	Elizabeth Chrispin	deloitteifrs@deloitte.co.uk

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