



IFRS on Point

Financial and Sustainability Reporting Developments and Information from September 2023

International Headlines

Updates to Deloitte iGAAP manual

Deloitte IFRS communications and publications

Comment letters

Effective dates

International Headlines

IASB publishes amendments to the IFRS for SMEs regarding the OECD pillar two model rules

The International Accounting Standards Board (IASB) has published *International Tax Reform—Pillar Two Model Rules (Amendments to the 'IFRS for SMEs' Standard)* to align the Standard's requirements with similar amendments to IAS 12 issued in May 2023.

The amendments to Section 29 *Income Tax* of the *IFRS for SMEs* Standard 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 amendments also introduce targeted disclosure requirements for affected SMEs in periods when Pillar Two legislation is in effect.

The exception is effective immediately upon the issue of the amendments and applies retrospectively in accordance with Section 10 *Accounting Policies, Estimates and Errors* of the *IFRS for SMEs* Standard. The requirement to disclose separately the entity's current tax expense (income) related to Pillar Two income taxes is effective for annual 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 explaining the amendments on IAS Plus

IASB proposes annual improvements to IFRS Accounting Standards

The IASB has published Exposure Draft IASB/AI/ED/2023/1 *Annual Improvements to IFRS Accounting Standards—Volume 11*.

The following amendments are proposed:

- IFRS 1—Hedge accounting by a first-time adopter
- IFRS 7—Gain or loss on derecognition
- IFRS 7—Disclosure of deferred difference between fair value and transaction price
- IFRS 7—Credit risk disclosures
- IFRS 9—Derecognition of lease liabilities

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

- IFRS 9—Transaction price
- IFRS 10—Determination of a ‘de facto agent’
- IAS 7—Cost method

The ED does not include an effective date. Early application of the amendments is proposed to be permitted.

The comment period for the ED ends on 11 December 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 explaining the proposals on IAS Plus

IASB meeting (September 2023)

The IASB met on 19-21 September 2023. The following topics were discussed:

- IASB work plan update
- Rate-regulated Activities
- Equity Method
- Business Combinations—Disclosures, Goodwill and Impairment
- Joint session: Business Combinations—Disclosures, Goodwill and Impairment and Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures
- Business Combinations under Common Control
- Extractive Activities
- Second Comprehensive Review of the *IFRS for SMEs* Accounting Standard
- Climate-related Risks in the Financial Statements
- Amendments to the Classification and Measurement of Financial Instruments

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
- **Press release** on the IASB’s decision to explore ways to improve reporting of climate-related and other uncertainties in the financial statements on the IFRS Foundation website
- **Work plan analysis** on IAS Plus
- **Detailed meeting summaries** on IAS Plus

IASB-FASB joint education meeting (September 2023)

The IASB held an education meeting with the US Financial Accounting Standards Board (FASB) on 29 September 2023. The following topics were discussed:

- Power Purchase Agreements
- Rate-regulated Activities
- International tax reform—Pillar Two model rules
- Equity Method
- Climate-related Risks in the Financial Statements
- Classification and Measurement of Financial Instruments: ESG-linked Financial Instruments
- Business Combinations—Disclosures, Goodwill and Impairment
- Disaggregation and Performance Measures
- IASB and FASB work plans

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

ISSB meeting (September 2023)

The International Sustainability Standards Board (ISSB) met on 14 September 2023. The ISSB discussed International Applicability 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
- **Work plan analysis** on IAS Plus
- **Detailed meeting summaries** on IAS Plus

IFRS IC meeting (September 2023)

The IFRS Interpretations Committee (IFRS IC) met on 12 September 2023. The following topics were discussed:

Item for initial consideration

- IFRS 3 *Business Combinations*: Payments Contingent on Continued Employment during Handover Periods

Comment letters on tentative agenda decisions

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

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** on IAS Plus

ASAF meeting (September 2023)

The Accounting Standards Advisory Forum (ASAF) met on 28 September 2023. The following topics were discussed:

- Agenda planning and feedback from previous ASAF meetings
- Rate-regulated Activities
- Power Purchase Agreements
- Equity Method
- Primary Financial Statements
- International Tax Reform—Pillar Two Model Rules

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

DPOC meeting (September 2023)

The Due Process Oversight Committee (DPOC) met on 28 September 2023 to discuss the development of educational material to illustrate interoperability.

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

Summary of the July 2023 SMEIG meeting

A summary has been published of the SME Implementation Group (SMEIG) meeting held on 13 July 2023.

The following topics were discussed:

- Second Comprehensive Review of the *IFRS for SMEs* Standard:
 - Guidance in the Standard versus in educational material
 - Impairment of financial assets
 - Revenue from contracts with customers
 - Control model
 - Joint arrangements
 - Requirement to offset equity instruments
- Proposed amendments to the *IFRS for SMEs* Standard:
 - International Tax Reform—Pillar Two model rules
- Other issues

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

IASB publishes editorial corrections

The IASB has published a second set of editorial corrections for 2023. The corrections relate to *Lack of Exchangeability (Amendments to IAS 21)*. Editorial corrections do not change the meaning or application of pronouncements, but instead correct inadvertent errors.

Please click to access the **editorial corrections** on the IFRS Foundation website.

ISSB sets up transition implementation group on IFRS S1 and IFRS S2

The ISSB has announced the membership of the Transition Implementation Group (TIG) on IFRS S1 and IFRS S2. The TIG will inform the ISSB about potential implementation questions that could arise when entities implement the new standards IFRS S1 and IFRS S2.

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

ISSB Vice-Chair discusses current agenda of the ISSB

In a recent keynote address in Brussels, ISSB Vice-Chair Sue Lloyd discussed the current agenda of the ISSB and cooperation with EU institutions. The following five aspects were discussed:

- The need for global sustainability disclosures
- Overview of IFRS S1 and IFRS S2
- Support for the ISSB standards
- Cooperation with the European Union (EU)
- Next steps for the ISSB

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

FSB letter to G20 leaders

Ahead of the G20 meeting on 9-10 September 2023, a letter of the Chair of the Financial Stability Board (FSB) was submitted to the G20 leaders outlining the work the FSB is undertaking on enhancing the resilience of the financial system to structural change.

Please click to access the **letter** on the FSB website.

G20 Leaders welcome issuance of ISSB Standards

The G20 has issued a final declaration following the G20 Leaders meeting held in New Delhi on 9-10 September 2023. In particular, the declaration notes “[w]e welcome the finalization of the sustainability and climate-related disclosure standards published by the International Sustainability Standards Board (ISSB) in June 2023, which provide the mechanisms that address proportionality and promote interoperability. It is important that flexibility, to take into account country-specific circumstances, is preserved in the implementation of those standards.”

Please click to access the **final declaration** on the European Council website.

IOSCO will roll out extensive capacity-building programme on sustainability reporting

The International Organization for Securities Commissions (IOSCO) has released the transcript of a keynote address given by Jean-Paul Servais, Chair of the IOSCO Board, at the Eurofi 2023 Financial Forum in Santiago de Compostela.

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

IASB Chair addresses WSS meeting

IASB Chair Andreas Barckow delivered the opening address at the World Standard Setters (WSS) conference in London. Against the backdrop of celebrating 50 years of international standard-setting, he explained how national standard-setters contributed greatly to making international accounting standards such a success.

Please click to access the following:

- **Transcript of the speech** on the IFRS Foundation website
- **Video** "Marking 50 years of accounting standard-setting" on YouTube

Annual ECON exchange of views with representatives of the IFRS Foundation

The annual exchange of views between the Committee on Economic and Monetary Affairs (ECON) of the European Parliament and representatives of the IFRS Foundation took place on 4 September 2023. Erkki Liikanen, Chair of the IFRS Foundation Trustees, IASB Chair Andreas Barckow and ISSB Chair Emmanuel Faber answered questions of the Parliamentarians.

Please click to access the following on the European Parliament website:

- **Recording of the session**
- **Presentation slides**

IFASS meeting (September 2023)

The International Forum of Accounting Standard Setters (IFASS) met on 26-27 September 2023. The following topics were discussed:

- Climate-related risks in the financial statements
- Cash flow reporting
- International Non-Profit Accounting Guidance (INPAG)—Exposure Draft 2 presentation
- International Public Sector Accounting Standards Board (IPSASB) update
- Accounting for carbon offsets and credits
- Panel discussion on the post-implementation review (PIR) of IFRS 15
- New Zealand research on intangible assets—user needs, recognition and disclosure
- Hyperinflation
- Connectivity between financial and sustainability reporting
- Panel discussion on the ISSB consultation on agenda priorities and perspectives on interoperability
- Organisation for Economic Co-operation and Development (OECD) presentation on sustainability reporting matters
- Panel discussion on sustainability reporting implementation issues, capacity building, and implementation guidance

Please click to access the following:

- **Agenda** on the EFRAG website
- **Summary** of the climate-related risks in the financial statements session on IAS Plus
- **Summary** of the New Zealand research session on IAS Plus

New consolidated text of EU IFRS Accounting Standards available

A new consolidated text of all IFRS Accounting Standards in force in the European Union (EU) has been published in the Official Journal of the EU.

Please click to access the **new consolidated text** on the European Union website.

EC proposes changes to thresholds for determining size classes for corporations

The European Commission (EC) has published a draft delegated act amending the thresholds in the Accounting Directive for determining the size class of corporations. In the draft, the EC proposes to raise the thresholds set out in the Accounting Directive by around 25%.

Please click to access the **draft delegated act** on the EC website.

Summary of the EFRAG symposium on connectivity

A summary has been published of the panel discussion at the symposium on connectivity at the annual congress of the European Accounting Association (EAA) held on 26 May 2023.

The following topics were discussed:

- Aspects of connectivity
- Mechanisms for connectivity and the roles of financial reporting versus sustainability reporting
- Impact of having different types of users
- Visions for connectivity for 2030 and expectations from academics

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

IFAC calls on ISSB and IASB to jointly develop a global reporting baseline

The International Federation of Accountants (IFAC) has commented on the ISSB's consultation on its future work programme. IFAC believes that interoperability with the Global Reporting Initiative (GRI) Standards, the European Sustainability Reporting Standards (ESRS) and required climate disclosures in the US is an important starting point for a truly global system that builds upon the ISSB's global baseline.

Please click to access the **comment letter** on the IFRS Foundation website.

TNFD recommendations on nature-related issues published

The Taskforce on Nature-related Financial Disclosures (TNFD), a global market-led initiative which aims to provide financial institutions and corporates with a complete picture of their environmental risks and opportunities, has delivered its framework for organisations to report and act on evolving nature-related risks.

Please click to access the following on the TNFD website:

- **Press release**
- **TNFD recommendations**

IFR4NPO publishes second exposure draft

International Financial Reporting for Non-Profit Organisations (IFR4NPO), an initiative to develop the first internationally applicable financial reporting guidance for non-profit organisations, has released an exposure draft for *International Non-Profit Accounting Guidance, Part 2*.

Please click to access the **exposure draft and supporting material** on the IFR4NPO website.

Climate Week NYC

On 17-24 September 2023, Climate Week NYC brought together policymakers, climate activists, civil society representatives, individuals and CEOs from all over the world, for the largest annual climate event of its kind.

Discussions during the event addressed key themes including the role of the finance in climate change. The finance programme focused on financial opportunities to identify and mitigate climate risks as part of a green recovery.

Please click to access the **Climate Week NYC** website.

UKEB research into connectivity

The UK Endorsement Board (UKEB) has published two reports arising from its research project on climate-related matters.

The first report, titled *Climate-Related Matters: Summary of Connectivity Research*, provides an overview of recent third-party research into connectivity challenges between disclosures under the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (a proxy for the disclosures required by IFRS S2) and the financial statements.

The second report, titled *A Study in Connectivity: Analysis of 2022 UK Company Annual Reports*, provides a deep-dive analysis from an investor's perspective of potential connectivity challenges and includes stakeholder feedback on possible causes.

Please click to access the following on the UKEB website:

- **Climate-Related Matters** report
- **A Study in Connectivity** report

Research into crypto assets

The Research Centre of the Australian Accounting Standards Board (AASB), CPA Australia and the University of New South Wales have published a research report that provides an overview of perspectives shared by some Australian stakeholders about crypto assets accounting and reporting. The research responds to stakeholder concerns regarding the development of crypto assets.

Please click to access the **research report** on AASB website.

Updates to Deloitte iGAAP manual

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

Added Deloitte Guidance

Chapter	Reference	Deloitte guidance title
F2 Corporate Sustainability Reporting Directive	7-1	EU ultimate parent has securities traded on an EU-regulated market and heads a large group with more than 500 employees – example
F2 Corporate Sustainability Reporting Directive	7-2	EU ultimate parent has securities traded on an EU-regulated market and heads a large group with fewer than 500 employees – example
F2 Corporate Sustainability Reporting Directive	7-3	EU ultimate parent does not have securities traded on EU-regulated market and heads a large group – example
F2 Corporate Sustainability Reporting Directive	7-4	Non-EU ultimate parent with an intermediate holding entity that has securities traded on an EU-regulated market and heads a large group with more than 500 employees – example
F2 Corporate Sustainability Reporting Directive	7-5	Non-EU ultimate parent with an intermediate holding company that has securities traded on an EU-regulated market and heads a large group with fewer than 500 employees – example
F2 Corporate Sustainability Reporting Directive	7-6	Non-EU ultimate parent with an intermediate holding company that does not have securities traded on EU-regulated market and heads a large group – example
F2 Corporate Sustainability Reporting Directive	7-7	Non-EU ultimate parent, group net turnover from EU exceeds €150 million with large EU subsidiary or EU branch with turnover exceeding €40 million – example
F2 Corporate Sustainability Reporting Directive	7-8	Non-EU ultimate parent with subsidiary that has securities traded on an EU-regulated market and is a large entity with more than 500 employees – example
F2 Corporate Sustainability Reporting Directive	7-9	Non-EU ultimate parent with subsidiary that has securities traded on an EU-regulated market and is a large entity with fewer than 500 employees – example
F2 Corporate Sustainability Reporting Directive	7-10	Non-EU ultimate parent with subsidiary that is a large entity but has no securities traded on an EU-regulated market – example
F2 Corporate Sustainability Reporting Directive	7-11	Non-EU ultimate parent with subsidiary that has securities traded on an EU-regulated market and is a medium-sized entity – example
F2 Corporate Sustainability Reporting Directive	7-12	Non-EU ultimate parent with large EU subsidiaries – example

Deloitte IFRS communications and publications

Issuance Date	Description
11 Sep 2023	IFRS on Point—August 2023
13 Sep 2023	iGAAP in Focus—Financial reporting: IASB proposes amendments to IFRS Accounting Standards as part of its annual improvements process
22 Sep 2023	iGAAP in Focus—European sustainability reporting: European Sustainability Reporting Standards finalised
27 Sep 2023	IFRS Illustrative Financial Statements 2023
5 Oct 2023	iGAAP in Focus—Financial reporting: IASB publishes amendments to IFRS for SMEs for OECD tax reform

Comment letters

	Description	Receiving party	Comment letter submitted / deadline
Comment letters submitted	Request for Information—Consultation on Agenda Priorities	ISSB	01/09/2023
	Request for Information—Post-implementation Review of IFRS 9—Impairment	IASB	26/09/2023
	Proposed Taxonomy—IFRS Sustainability Disclosure Taxonomy	ISSB	26/09/2023
Comment letters pending	Request for Information—Post-implementation Review of IFRS 15 Revenue from Contracts with Customers	IASB	27/10/2023
	Tentative Agenda Decision—Payments Contingent on Continued Employment during Handover Periods (IFRS 3)	IFRS IC	20/11/2023
	IASB/AI/ED/2023/1—Annual Improvements to IFRS Accounting Standards—Volume 11	IASB	11/12/2023

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
- 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](#).

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



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organisation”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s more than 450,000 people worldwide make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organisation”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.