



## IFRS on Point

### Financial and Sustainability Reporting Developments and Information from May 2022

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#### International headlines

##### IASB meeting (May 2022)

The International Accounting Standards Board (IASB) met on 23-27 May 2022.

The following topics were discussed:

- Post-implementation Review (PIR) of IFRS 9—Classification and Measurement
- Dynamic Risk Management
- Rate-regulated Activities
- Disclosure Initiative—Targeted Standards-level Review of Disclosures
- Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures
- Goodwill and Impairment
- Primary Financial Statements
- Second Comprehensive Review of the *IFRS for SMEs* Accounting Standard
- Maintenance and consistent application
- IASB work plan update

Please click to access the following:

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

##### ISSB outlines actions required to deliver global baseline of sustainability disclosures

The International Sustainability Standards Board (ISSB) has published a summary of the necessary steps required to establish a comprehensive global baseline of sustainability disclosures.

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

For more information please see the following websites:

[www.iasplus.com](http://www.iasplus.com)

[www.deloitte.com](http://www.deloitte.com)

### **IASB and ISSB outline future plans for the use of the Integrated Reporting Framework and the integrated thinking principles**

The Chairs of the IASB and the ISSB have communicated plans for the future role, governance and development of the Value Reporting Foundation's (VRF) Integrated Reporting <IR> Framework and integrated thinking principles as the VRF is being consolidated into the IFRS Foundation.

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

### **G7 welcomes ISSB's progress on global baseline of sustainability disclosures**

The G7 Finance Ministers and Central Bank Governors have issued a communiqué which welcomes the inauguration of the ISSB and its progress of work on the global baseline of sustainability reporting standards. They call on all relevant stakeholders to participate in the ongoing consultation on the proposed standards.

In addition, they urge the ISSB and national and regional standard-setters as well as other reporting initiatives to actively cooperate in the process of elaborating the baseline with the aim of reaching standards that can be implemented globally. They encourage countries to prepare or continue to prepare the ground for usage of the baseline, aim to ensure interoperability of national and regional standards and the global baseline in order to minimise fragmentation of reporting requirements, reduce reporting burdens, and enable the availability of consistent sustainability information for users.

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

### **IASB issues May 2022 *Investor Update* newsletter**

The IASB has issued the latest edition of its newsletter *Investor Update*, which profiles recently introduced IFRS Accounting Standards and other changes that are in the pipeline as well as how those changes may affect companies and performance.

This issue features:

- In profile—Dr Kenneth Lee, Associate Professorial Lecturer at the London School of Economics and Political Science, member of the Capital Markets Advisory Committee
- We need your views—IFRS Sustainability Disclosure Standards
- Stay up to date
- Resources for investors

Please click to access the ***Investor Update*** on the IFRS Foundation website.

### **IASB issues podcast on latest developments (April 2022)**

The IASB has released a podcast featuring IASB Chair Andreas Barckow and Executive Technical Director Nili Shah discussing deliberations at the April 2022 IASB meeting.

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

### **IFRS Foundation publishes sixth compilation of IFRS Interpretations Committee agenda decisions**

The IFRS Foundation has issued *Compilation of Agenda Decisions—Volume 6* which contains all the agenda decisions made by the IFRS Interpretations Committee from November 2021 to April 2022.

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

### **Summary of the April 2022 IFRS Advisory Council meeting**

A summary of the IFRS Advisory Council meeting held on 5-6 April 2022 has been released.

The following topics were discussed:

- Update on Trustees' and IASB activities
- Update on ISSB EDs
- Feedback from previous Advisory Council meetings
- Organisational culture

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

### Report on the spring 2022 IFASS meeting

A summary of the International Forum of Accounting Standard Setters (IFASS) meeting held on 7-8 March 2022 has been released.

The following topics were discussed:

- Update on “Restoring trust in audit and cooperate governance”
- Separate financial statements
- Non-current Liabilities with Covenants—thoughts on the IASB Exposure Draft (ED)
- Disclosure Initiative—Targeted Standard-level Review of Disclosures
- Supplier Finance Arrangements
- Review of the *IFRS for SMEs* Accounting Standard
- International financial reporting for non-profit organisations—IFR4NPO project update
- Sustainability-related reporting items
- PIR of IFRS 9—Classification and Measurement

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

### Summary of the March 2022 CGRR meeting

A summary of the Consultative Group of Rate Regulation (CGRR) meeting held on 28 March 2022 has been released.

The meeting focused on how the IASB might respond to feedback on its proposals on the accounting for regulatory assets and regulatory liabilities arising from differences between the recovery pace of the regulatory asset base and the assets’ useful lives.

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

### Summary of the March/April 2022 ASAF meeting

A summary of the Accounting Standards Advisory Forum (ASAF) meeting held on 31 March and 1 April 2022 has been released.

The following topics were discussed:

- Rate-regulated Activities
- Non-current Liabilities with Covenants
- Primary Financial Statements
- Supplier Finance Arrangements
- Agenda planning and feedback from the previous ASAF meeting

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

### Summary of the May 2022 ISSB Jurisdictional Working Group Meeting

A summary of the ISSB Jurisdictional Working Group meeting held on 16 May 2022 has been released.

During the meeting, participants:

- Provided an update of the institutional developments in their jurisdiction in relation to ongoing global developments in sustainability-related reporting
- Provided an update on current plans and processes to obtain feedback from stakeholders on the current open consultations and any initial feedback that had been received
- Considered areas where further work can be undertaken during the consultation period to establish a global baseline for sustainability-related reporting

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

### ISSB staff seeks feedback on a future IFRS sustainability disclosure taxonomy for digital reporting

The staff of the ISSB is seeking feedback to inform the development of a taxonomy to enable digital consumption of sustainability disclosures prepared using the ISSB’s IFRS Sustainability Disclosure Standards.

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

### **IFRS Foundation announces new IASB members**

The Trustees of the IFRS Foundation have announced the appointment of Linda Mezon-Hutter and Robert Uhl as IASB members. Their appointments are for a five-year term starting in September 2022. In addition, IASB members Nick Anderson, Jianqiao Lu and Ann Tarca have been reappointed for a second three-year term.

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

### **IFRS Foundation Trustees seek SSAF members**

The IFRS Foundation is calling for applications from relevant jurisdictional and regional bodies to become members of the Sustainability Standards Advisory Forum (SSAF).

The SSAF will be established in 2022 to formalise and streamline the relationships between the IFRS Foundation and ISSB with the relevant jurisdictional and regional bodies, in order to bring important regional perspectives to the ISSB's technical work and to offer feedback on the most important issues of the day.

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

### **IFRS Foundation seeks Trustees**

The IFRS Foundation is seeking Trustees from Asia-Oceania, the Americas and Europe for terms beginning on 1 January 2023.

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

### **ESMA statement on the implications of Russia's invasion of Ukraine**

The European Securities and Markets Authority (ESMA) has released a public statement on the implications of Russia's invasion of Ukraine on half-yearly financial reports.

The statement notes the significant challenges to business activities and effects on the global economic and financial system posed by the invasion and provides overarching messages to issuers and auditors.

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

### **ESMA disclosure recommendations regarding the expected impact of IFRS 17 application**

ESMA has issued a public statement on Transparency on implementation of IFRS 17 *Insurance Contracts*.

The statement highlights the need for issuers to provide relevant and comparable information in their financial statements that enables users to assess the possible impact that IFRS 17 will have in the period of initial application.

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

### **ESMA publishes 26th enforcement decisions report**

ESMA has published further extracts from its confidential database of enforcement decisions taken by European national enforcers.

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

### **FRC publishes thematic review findings on discount rates**

The UK Financial Reporting Council (FRC) has published a thematic review on discount rates used under IFRS Accounting Standards.

The report notes that while discounted cash flows and discount rates are commonly used under IFRS Accounting Standards, determining an appropriate discount rate is a complex area of financial reporting and can be an area of significant estimation uncertainty and a source of errors in financial reporting.

Please click to access the **thematic review** on the FRC website.

### **UKEB adopts IFRS 17**

The UK Endorsement Board (UKEB) has adopted IFRS 17 *Insurance Contracts* for use in the UK.

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

### **IPSASB finalises guidance on non-current assets held for sale**

The International Public Sector Accounting Standards Board (IPSASB) has released IPSAS 44 *Non-current Assets Held for Sale and Discontinued Operations*.

Please click to access the **new standard** on the IPSASB website.

#### **IPSASB launches global consultation on public sector sustainability reporting**

The IPSASB has issued a consultation paper *Advancing Public Sector Sustainability Reporting*. The consultation paper proposes the IPSASB:

- Serve as the standard setter for global public sector-specific sustainability guidance, drawing upon its experience, processes, and global relationships
- Develop initial guidance focused on general disclosure requirements for sustainability-related information and climate-related disclosures
- Approach guidance development at an accelerated pace, with a potential for releasing initial guidance by the end of 2023

Please click to access the **consultation paper** on the IPSASB website.

#### **IPSASB consultation paper on natural resources**

The IPSASB has issued a consultation paper *Natural Resources*. Comments on the consultation paper are requested by 17 October 2022.

Please click to access the **consultation paper** on the IPSASB website.

## Updates to Deloitte iGAAP manual

Available at [dart.deloitte.com/iGAAP](https://dart.deloitte.com/iGAAP) [on subscription only].

#### **Added Deloitte Guidance**

| <b>Chapter</b>                   | <b>Reference</b> | <b>Deloitte guidance title</b>   |
|----------------------------------|------------------|--|
| D13 Primary financial statements | <b>2.1.2-2</b>   | Presentation of changes in credit risk due to collectability of premiums |

## Deloitte IFRS communications and publications

| <b>Issuance Date</b> | <b>Description</b>   |
|----------------------|--|
| 04 May 2022          | <b><i>IFRS on Point—April 2022</i></b>   |
| 17 May 2022          | <b><i>iGAAP in Focus—European sustainability reporting—EFRAG launches consultation on first set of European Sustainability Reporting Standards</i></b> |

## Comment letters

|                           | Description   | Receiving party | Comment letter submitted/deadline |
|---------------------------|---|-----------------|-----------------------------------|
| Comment letters submitted | <b>Tentative Agenda Decision: Lessor Forgiveness of Lease Payments (IFRS 9 and IFRS 16)</b>   | IFRS IC         | 23/05/2022                        |
|                           | <b>Tentative Agenda Decision: Special Purpose Acquisition Companies (SPAC): Classification of Public Shares as Financial Liabilities or Equity (IAS 32)</b> | IFRS IC         | 23/05/2022                        |
|                           | <b>Tentative Agenda Decision: Special Purpose Acquisition Companies (SPAC): Accounting for Warrants at Acquisition</b>                                      | IFRS IC         | 23/05/2022                        |
|                           | <b>Tentative Agenda Decision: Transfer of Insurance Coverage under a Group of Annuity Contracts</b>   | IFRS IC         | 23/05/2022                        |
| Comment letters pending   | <b>Exposure Draft: ED/2022/S1 General Requirements for Disclosure of Sustainability-related Financial Information</b>                                       | ISSB            | 29/07/2022                        |
|                           | <b>Exposure Draft: ED/2022/S2 Climate-related Disclosures</b>   | ISSB            | 29/07/2022                        |
|                           | <b>Staff Request for Feedback on the staff draft of the IFRS Sustainability Disclosure Taxonomy</b>   | IFRS Foundation | 30/09/2022                        |

## 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 ***Beyond the numbers*** volume of iGAAP provides guidance on disclosure requirements and recommendations which businesses must consider in light of the broader environmental, social and governance matters which can significantly drive the value of an entity.

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For more information about iGAAP on DART, including pricing of the subscription packages, click [here](#).

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