



IFRS on Point

Financial and Sustainability Reporting Developments and Information from January 2023

International Headlines

Updates to Deloitte iGAAP manual

Deloitte IFRS communications and publications

Comment letters

Effective dates

International Headlines

IASB meeting (January 2023)

The International Accounting Standards Board (IASB) met on 24-26 January 2023.

The following topics were discussed:

- Equity Method
- Business Combinations—Disclosures, Goodwill and Impairment
- Primary Financial Statements
- Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures
- Supplier Finance Arrangements
- IFRS Accounting Taxonomy Update

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 (January 2023)

The International Sustainability Standards Board (ISSB) met on 17-19 January 2023.

The following topics were discussed:

- Metrics and targets objective
- Disclosure of judgements, assumptions and estimates
- Reasonable and supportable information that is available at the reporting date without undue cost or effort
- Commercially sensitive information about opportunities
- Current and anticipated financial effects and connected information
- Using scenario analysis to assess climate resilience
- Greenhouse gas emissions—Reporting period relief
- Climate-related targets—Latest international agreement on climate change

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

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

IASB member discusses merger and acquisition disclosures and goodwill accounting

In an *In Brief* article, IASB member Rika Suzuki discusses two decisions related to the Business Combinations—Disclosures, Goodwill and Impairment project. Specifically, Ms. Suzuki takes a look into how entities could disclose better information about business combinations and whether to retain the impairment-only model to account for goodwill or to explore reintroducing amortisation of goodwill.

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

Webinar on the PIR of the IFRS 9 hedge accounting requirements

On 8 February 2023, the IASB is offering a live webinar for academics to explain what academic research it is interested in receiving to inform its forthcoming post-implementation review (PIR) of the hedge accounting requirements in IFRS 9 (and related disclosure requirements in IFRS 7).

The focus of the webinar, which accompanies the December 2022 call for papers on IFRS 9 hedge accounting requirements, will be on potential research on the usefulness of the hedge accounting disclosure requirements for investors.

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

Webcast on financial instrument proposals in the IFRS for SMEs ED

In September 2022, the IASB published an Exposure Draft (ED) of proposed amendments to its *International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs)*. The IASB has now released a webcast offering insights into the proposals on financial instruments included in the ED.

The webcast:

- Provides background on the IASB's alignment approach applied during this second comprehensive review
- Explains how this approach was applied to develop the proposals for financial instruments
- Summarises the proposals for financial instruments

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

Podcast on Q4 2022 IFRS Interpretations Committee developments

The IASB has published a podcast on the developments of the IFRS Interpretations Committee during the fourth quarter of 2022.

The podcast is hosted by IFRS Interpretations Committee Chair and IASB member Bruce Mackenzie and technical staff members Riana Wiesner and Jawaid Dossani. It focuses on whether a contract that includes a particular substitution right is considered a lease (IFRS 16).

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

ISSB webinar series

The ISSB is offering webinars that show how entities can start the groundwork, data gathering and processes for ISSB reporting by using tools already widely available for businesses and investors.

The titles of the webinars are:

- Better information for better decisions—Introduction to investor-focused sustainability disclosure
- Any size or stage—Getting started on climate disclosure
- Connectivity and controls—The path to investor-grade disclosure

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

Summary of the November 2022 ISSB jurisdictional working group meeting

The IFRS Foundation published a summary of the ISSB Jurisdictional Working Group meeting held on 14 November 2022.

During the meeting, participants received an update of the ISSB's activities at the COP 27 Climate Summit as well as discussions between the ISSB and the European Union. In addition, participants were asked to provide feedback on the European Sustainability Reporting Standards (ESRS) and Global Reporting Initiative (GRI) Standards as sources for IFRS S1 guidance.

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

Summary of the December 2022 DPOC meeting

The IFRS Foundation published a summary of the supplementary Due Process Oversight Committee (DPOC) meeting held on 1 December 2022.

The DPOC discussed the shortened comment period for the proposed amendments to IAS 12, and performed a due process review of the PIR of the classification and measurement requirements of IFRS 9.

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

Summary of the December 2022 ITCG meeting

The IFRS Foundation published a summary of the IFRS Taxonomy Consultative Group (ITCG) meeting held on 5 December 2022.

The ITCG discussed the following topics:

- Digital representation of specific proposals related to the primary financial statements project:
 - Subtotals/categories in the statement of profit or loss
 - Disclosure of operating expenses by nature in the notes
- Summary of feedback on the staff draft on the IFRS Sustainability Disclosures Taxonomy

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

IFRS Advisory Council membership update

The Trustees of the IFRS Foundation have announced appointments and re-appointments to the IFRS Advisory Council effective 1 January 2023.

The Advisory Council is the formal advisory body to the Trustees, the IASB and the ISSB. It advises the IFRS Foundation on its strategic direction, technical work plan and priorities.

The Trustees have agreed to a temporary expansion of the Advisory Council to reflect the recent creation of the ISSB that has led to an expanded remit of the Advisory Council. Among the newly appointed organisations are the Organisation for Economic Co-operation and Development (OECD), Principles for Responsible Investment (PRI), and the United Nations (UN).

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

CMAC seeks members

The Capital Markets Advisory Committee (CMAC) is seeking new members and welcomes applications from analysts and investors from all over the world.

New members will start on 1 January 2024 for a term of three years, renewable once for a further three years.

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

EFRAG draft comment letter on IAS 12 and pillar two income taxes

EFRAG has published a draft comment letter on the IASB ED *International Tax Reform—Pillar Two Model Rules (Proposed amendments to IAS 12)*.

Comments on EFRAG's draft comment letter are requested by 27 February 2023.

Please click to access the **draft comment letter** on the EFRAG website.

Two academic studies sponsored by EFRAG and ICAS

EFRAG and the Institute of Chartered Accountants of Scotland (ICAS) have jointly sponsored the following two academic studies, one on intangibles and one on discounting:

- *Do companies disclose relevant information about intangibles?—Insights from business model reporting and risk reporting* investigates the role of intellectual capital in the value creation process and provides a baseline in intangibles reporting for a sample of intellectual capital-intensive high-tech companies
- *The Theory and Practice of Discounting in Financial Reporting under IFRS* notes the different discounting objectives and theoretical bases in different IFRS Accounting Standards and examines:
 - The underlying rationale for the different approaches in each IFRS Accounting Standard
 - The economic consequences of the different approaches used
 - Where appropriate, alternative methods that may be applicable

Please click to access the two studies on the EFRAG website:

- ***Do companies disclose relevant information about intangibles?—Insights from business model reporting and risk reporting***
- ***The Theory and Practice of Discounting in Financial Reporting under IFRS***

ESAs publish opinions on ESRS

The European Commission (EC) requested the three European Supervisory Authorities (ESAs), comprised of the European Securities and Markets Authority (ESMA), the European Banking Authority (EBA), and the European Insurance and Occupational Pensions Authority (EIOPA), to provide individual opinions on the technical advice on the first set of ESRS, which EFRAG submitted on 22 November 2022.

Please click to access the following:

- **ESMA opinion** on the ESMA website
- **EBA opinion** on the EBA website
- **EIOPA opinion** on the EIOPA website

IPSASB ED on concessionary leases

As part of phase two of its project on leases, the International Public Sector Accounting Standards Board (IPSASB) has released an ED proposing amendments to two of its existing standards. The proposed amendments would affect IPSAS 43 *Leases* (accounting for concessionary leases) and IPSAS 23 *Revenue from Non-Exchange Transactions* (new guidance on right-of-use assets in-kind).

Comments on the ED are requested by 17 May 2023.

Please click to access the **ED** 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
A32 Interim financial reporting	2.5-1	Meaning of 'interim financial statements prepared applying IAS 34'
B3 Financial liabilities and equity	5-1A	Initial application of the requirements in IAS 32:33A upon application of IFRS 17
B5 Embedded derivatives	10.3-2	Power purchase agreements that include delivery of renewable energy certificates
B6 Measurement	4.1.2.9-1	TLTRO III Transactions
B6 Measurement	5.3.1-4	Anticipated debt restructuring expected to lead to derecognition – measurement of expected credit losses – example

B8 Recognition and derecognition	3.1.3-1	Derecognition of a financial asset settled through electronic transfer of cash
B8 Recognition and derecognition	4A-1B	Derecognition of a financial liability settled through electronic transfer of cash
B9 Hedge Accounting	6.3.1.2-2	Novating derivatives as a replacement strategy – example
D6 Subsequent measurement	5-2	Meaning of 'interim financial statements prepared applying IAS 34' for the purposes of applying IFRS 17

Amended Deloitte Guidance

Chapter	Reference	Deloitte guidance title
B2 Financial assets	6.4-1	Date of reclassification for interim and annual financial statements
B6 Measurement	4.1-2	Timing for changing basis for calculation of interest revenue for financial instruments that become credit-impaired
B8 Recognition and derecognition	3.1.7-4	Transfer of asset with purchased call option held by a third party – example
C8 Recognition and derecognition	3.1.7-4	Transfer of asset with purchased call option held by a third party – example

Deloitte IFRS communications and publications

Issuance Date	Description
12 January 2023	<i>IFRS on Point—December 2022</i>
25 January 2023	<i>Illustrative disclosures for insurers applying IFRS 17</i>

Comment letters

	Description	Receiving party	Comment letter deadline
Comment letters pending	Tentative Agenda Decision: Definition of a Lease—Substitution Rights (IFRS 16)	IFRS IC	06/02/2023
	IASB/ED/2022/1—Third edition of the IFRS for SMEs Accounting Standard	IASB	07/03/2023
	IASB/ED/2023/1—International Tax Reform—Pillar Two Model Rules	IASB	10/03/2023

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 **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.

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.

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 professionals 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 approximately 415,000 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.

© 2023. For information, contact Deloitte Global.

Designed by Deloitte CoRe Creative Services. RITM1294706