



IFRS on Point

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International Headlines

IASB meeting (October 2023)

The International Accounting Standards Board (IASB) met on 25-26 October 2023. The following topics were discussed:

- Dynamic Risk Management
- Rate-regulated Activities
- Equity Method
- Amendments to the Classification and Measurement of Financial Instruments
- Primary Financial Statements
- Second Comprehensive Review of the *IFRS for SMEs* Accounting Standard
- Disclosure Initiative—Subsidiaries without Public Accountability
- Maintenance and consistent application

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** on IAS Plus

ISSB meeting (October 2023)

The International Sustainability Standards Board (ISSB) met on 24-25 October 2023. The following topics were discussed:

- International Applicability of SASB Standards
- Supporting the implementation of IFRS S1 and IFRS S2
- Global Sustainability Standards Board work programme update

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

For more information please see the following websites:

www.iasplus.com

www.deloitte.com

Podcast on Q3 2023 IFRS Interpretations Committee developments

The IFRS Foundation has published a podcast on the activities of the IFRS Interpretations Committee during the third quarter of 2023.

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

IASB publishes *Investor Perspectives* article on cash flow economics

The IASB has published the latest issue of *Investor Perspectives*, in which IASB member Nick Anderson discusses the increasing prevalence of transactions that are not reflected in cash flow statements—and where investors can find the information needed about non-cash debt changes to aid their analysis.

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

Blackline documents for revised SASB Standards released

The Sustainability Accounting Standards Board (SASB) Standards Board Advisor Group of the ISSB has published a set of blackline documents detailing upcoming revisions to the SASB Standards. These revisions are informed by feedback received in response to the Exposure Draft *Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates* and aim at enhancing the international applicability of the Standards.

Please click to access the blackline documents (available until 10 November 2023) via the **project page** on the IFRS Foundation website.

IFRS Foundation proposes update to IFRS Taxonomy 2023

The IFRS Foundation has published *IFRS Accounting Taxonomy 2023—Proposed Update 1 'International Tax Reform—Pillar Two Model Rules', 'Supplier Finance Arrangements' and 'Lack of Exchangeability'*.

The proposed changes reflect four recent amendments to IFRS Accounting Standards:

- International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of Exchangeability (Amendments to IAS 21)
- International Tax Reform—Pillar Two Model Rules (Amendments to the *IFRS for SMEs* Standard)

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

ITCG meeting (October 2023)

The IFRS Taxonomy Consultative Group (ITCG) met on 12-13 October 2023. The following topics were discussed:

- Digital reporting
- Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures
- IFRS Sustainability Disclosure Taxonomy
- EFRAG: European Sustainability Reporting Standards (ESRS) Extensible Business Reporting Language (XBRL) Taxonomy
- Primary Financial Statements

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

SCC meeting (October 2023)

The Sustainability Consultative Committee (SCC) met on 12 October 2023. The following topics were discussed:

- Update on the progress of the ISSB since last meeting
- Agenda consultation feedback
- Update on the ISSB's anticipated objectives and activities at COP28
- Long-term work planning of the SCC

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

Consultative Group for Rate Regulation meeting (October 2023)

The Consultative Group for Rate Regulation met on 13 October 2023 to discuss feedback on the proposals on discounting estimated future cash flows in the Exposure Draft *Regulatory Assets and Regulatory Liabilities*.

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

DPOC meeting (October 2023)

The Due Process Oversight Committee (DPOC) met on 17 October 2023. The following topics were discussed:

- IASB: Monitoring compliance with due process
- ISSB: Monitoring compliance with due process
- Other DPOC matters

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

CMAC meeting (October 2023)

Representatives of the IASB met with the Capital Markets Advisory Council (CMAC) on 19 October 2023. The following topics were discussed:

- IASB Update
- ISSB Update
- Post-implementation Review of IFRS 15 *Revenue from Contracts with Customers*
- Climate-related and Other Uncertainties in the Financial Statements
- Equity Method

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

SSAF meeting (October 2023)

The Sustainability Standards Advisory Forum (SSAF) met on 23 October 2023. The following topics were discussed:

- Update on ISSB work
- Digital Reporting Taxonomy
- Supporting implementation of IFRS S1 and IFRS S2
- Agenda planning

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

EEG meeting (October 2023)

The Emerging Economies Group (EEG) met on 30-31 October 2023. The following topics were discussed:

- Primary Financial Statements
- Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures
- IASB Technical Update
- Equity Method
- Hyperinflation Update
- Business Combinations under Common Control
- Country profiles: Africa

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 September 2023 ASAF meeting

A summary has been published of the Accounting Standards Advisory Forum (ASAF) meeting held 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
- IAS 12 Pillar Two—Sharing information on implementation

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

Summary of the September 2023 DPOC meeting

A summary has been published of the DPOC meeting held on 28 September 2023. The DPOC discussed the development of material to illustrate interoperability of the ISSB's Standards with other relevant standards.

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

Brazil to incorporate IFRS Sustainability Disclosure Standards into Regulatory Framework

The Brazilian Ministry of Finance and the Comissão de Valores Mobiliários have jointly announced that the ISSB's IFRS Sustainability Disclosure Standards will be integrated into Brazil's regulatory framework, setting a roadmap to move from voluntary use, commencing in 2024, to mandatory use starting on 1 January 2026.

For more information, please click to access the **press release** on the IFRS Foundation website.

IFRS S1 available in Spanish

The IFRS Foundation has published a Spanish translation of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*.

IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

Please click to access the **Spanish translation of the standard** on the IFRS Foundation website.

IFRS Foundation announces Trustee appointments and reappointments

The IFRS Foundation has announced the appointment of Bertrand Badré, Rudolf Bless, Morgan Després, Chong-Tee Ong and Richard Sexton as Trustees of the IFRS Foundation. Their appointments will begin on 1 January 2024 and will expire on 31 December 2026.

For more information, please click to access the **press release** on the IFRS Foundation website.

ESMA announces enforcement priorities for 2023 financial statements

The European Securities and Markets Authority (ESMA) has published a public statement on European common enforcement priorities for 2023 annual financial reports.

The priorities include:

- Climate and other environmental matters:
 - Impact on the financial statements
 - Article 8 of the Taxonomy Regulation
 - Targets, actions and progress
 - Scope 3 emissions
- Macroeconomic environment
- Identification and consistency of Alternative Performance Measures (APMs)
- European Single Electronic Format (ESEF) block tagging

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

ESMA publishes 28th enforcement decisions report

ESMA has published an extract from its confidential database of enforcement decisions taken by European national enforcers. The report includes decisions in relation to IFRS 3, IFRS 7, IFRS 9, IFRS 10, IFRS 11, IFRS 15, IFRS 16, IAS 32 and IAS 38.

Please click to access the following on the ESMA website:

- **Report—28th Extract from the FRWG (EECS)'s Database of Enforcement**
- **List of all decisions published**

ESMA report on disclosures of climate-related matters in the financial statements

ESMA has published a report with examples of climate-related matters in IFRS financial statements.

The report aims to assist and to enhance the ability of issuers to provide more robust disclosures and create more consistency in how climate-related matters are accounted for in financial statements prepared under IFRS Accounting Standards.

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

EC Work Programme for 2024: Implications for CSRD

The European Commission (EC) has published its Work Programme for 2024, which details the list of actions it will take in the coming year. In 2024, the EC will focus, among other areas, on reducing reporting burden for companies. Some of the key proposals include:

- Targeted amendments to the Accounting Directive adjusting the size criteria for companies that fall under the reporting requirements of the Corporate Sustainability Reporting Directive (CSRD), and therefore reducing the scope of application of the CSRD
- Postponement of the deadline for the adoption of sector-specific and third country European Sustainability Reporting Standards (ESRS) from June 2024 to June 2026. The latter does not defer the effective date of the CSRD for third country undertakings
- Publication of a call for evidence to identify reporting requirements in the general EU framework that can be removed or rationalised
- Clarification regarding the EU Taxonomy Regulation which states that no assessment is needed for activities that are not material to business or where companies lack evidence or data to prove compliance

Please click to access the **2024 Commission Work Programme** on the European Commission website.

Q&A platform launched to support ESRS implementation

EFRAG has launched an ESRS Q&A platform that entities can use to submit questions to EFRAG regarding the implementation of ESRS. In its role of technical advisor to the EC, EFRAG will provide non-authoritative responses to the questions asked through the platform.

For more information, please click to access the **press release** on the EFRAG website.

California adopts legislation requiring climate disclosures

On 7 October 2023, the California Governor signed into law two state senate bills that collectively require certain public and private US companies doing business in California to provide both quantitative and qualitative climate disclosures.

The bills, SB-253—*Climate Corporate Data Accountability Act* and SB-261—*Greenhouse Gases: Climate-Related Financial Risk*, will establish the first industry-agnostic US regulations that mandate the corporate reporting of greenhouse gas emissions and climate risks in the United States.

Please click to access the following:

- **SB-253—Climate Corporate Data Accountability Act** on the California Legislative Information website
- **SB-261—Greenhouse Gases: Climate-Related Financial Risk** on the California Legislative Information website
- **iGAAP in Focus** newsletter explaining the content of the legislation on IAS Plus

AASB publishes sustainability reporting exposure draft based on IFRS S1 and IFRS S2

The Australian Accounting Standards Board (AASB) has published an exposure draft ED SR1 *Australian Sustainability Reporting Standards—Disclosure of Climate-related Financial Information* to propose climate-related financial disclosure requirements.

ED SR1 includes three draft Australian Sustainability Reporting Standards (ASRS Standards):

- [draft] ASRS 1 *General Requirements for Disclosure of Climate-related Financial Information*, developed using IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* as the baseline but with a scope limitation to climate-related financial disclosure;
- [draft] ASRS 2 *Climate-related Financial Disclosures*, developed using IFRS S2 *Climate-related Disclosures* as the baseline; and
- [draft] ASRS 101 *References in Australian Sustainability Reporting Standards*, developed as a service standard that would be updated periodically to list the relevant versions of any non-legislative documents published in Australia and foreign documents that are referenced in ASRS Standards.

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

Major national standard setters concerned about connectivity

The UK Endorsement Board (UKEB), the AASB, the Canadian Accounting Standards Board (AcSB), the Malaysian Accounting Standards Board (MASB) and the New Zealand External Reporting Board (XRB) have published a joint letter to the ISSB highlighting their common concerns regarding its recent agenda consultation. In particular, the letter notes that feedback from UK stakeholders, as well as the UKEB's own research, indicates that close alignment and connectivity between financial and sustainability reporting should be a priority for the IASB and the ISSB and they do not consider that this is yet complete.

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

FSB publishes annual progress report on climate-related disclosures

The Financial Stability Board (FSB) has published its annual progress report on climate-related disclosures. The report has been delivered to G20 Finance Ministers and Central Bank Governors for their 11-12 October 2023 meeting.

Please click to access the report via the **press release** on the FSB website.

IPSASB publishes proposed non-substantive changes to International Public Sector Accounting Standards (IPSAS)

The International Public Sector Accounting Standards Board (IPSASB) has published exposure draft *Improvements to IPSAS, 2023*. The changes proposed in the exposure draft include minor improvements sourced from recent IFRS improvements and narrow-scope projects. Comments are requested by 18 December 2023.

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

IPSASB consults on its strategy and work plan for 2024-2028

The IPSASB has proposed a new strategy and work plan for 2024 through 2028.

The new work plan and strategy proposes rebalancing of the financial reporting work programme towards the maintenance of IPSAS by putting a post-implementation review process in place and by establishing an Application Panel to support current and future IPSAS users. The new strategy also assumes that the IPSASB moves ahead with its decision to develop International Public Sector Sustainability Reporting Standards.

Please click to access the **proposed strategy and work plan** on IPSASB website.

WBCSD publishes annual review of sustainability and integrated reports

The World Business Council for Sustainable Development (WBCSD) has published its 2023 annual review of its member companies' sustainability and integrated reports. The report is titled *Delivering Impact in a Time of Complexity*, marking the eleventh instalment of *Reporting matters*. It introduces an evolved evaluation framework designed to guide companies in an era of rapidly evolving reporting regulations and increased stakeholder expectations.

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

Updates to Deloitte iGAAP manual

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

Added Deloitte Guidance

| Chapter | Reference | Deloitte guidance title |
|--|-------------------|--|
| A9 Intangible assets | 4.8.5.1-1 | Recognising internally generated intangible asset for costs of project before success is certain |
| A9 Intangible assets | 4.8.5.1-2 | Recognition of internally generated intangible assets arising from development – life sciences industry |
| A9 Intangible assets | 4.8.7-2 | Research and development activities performed under contract by others – example |
| A9 Intangible assets | 10.3.1-2 | Date of commencement of amortisation of an in-process research and development intangible asset acquired in a business combination – example |
| A11 Inventories | 2.1-6 | Inventory produced before regulatory approval – life sciences industry |
| A21 Statement of cash flows | 5.1.9-1 | Classification of cash flows from government grants |
| A25 Business combinations | 7.5.10.1-2 | Restoration liability associated with right-of-use asset of acquiree |
| A37 Financial reporting in hyperinflationary economies | 3.1-1 | Quantitative assessment of the cumulative inflation rate |
| A37 Financial reporting in hyperinflationary economies | 3.1-2 | Application of IAS 29 in non-hyperinflationary economies |
| A37 Financial reporting in hyperinflationary economies | 3.2-1 | Calculation of the cumulative three-year inflation rate |
| A37 Financial reporting in hyperinflationary economies | 3.3-1 | Jurisdictions considered to have a hyperinflationary economy |
| A37 Financial reporting in hyperinflationary economies | 4.6-2 | Presentation of the change in deferred tax amounts |
| A37 Financial reporting in hyperinflationary economies | 4.6-3 | Presentation of the change in deferred tax amounts – monetary items |
| A37 Financial reporting in hyperinflationary economies | 4.10-1 | Restatement of corresponding monetary items – example |
| B2 Financial Assets | 6.1-1 | Reclassification assessment |
| B2 Financial Assets | 6.2-3 | Change in intent versus change in business model – example |

Amended Deloitte guidance

| Chapter | Reference | Deloitte guidance title |
|--|------------------|---|
| A13 Income taxes | 2.6-1 | Investment tax credits |
| A25 Business combinations | 7.4.2.6-1 | Accounting for in-process research and development at the time of acquisition and in subsequent periods |
| A37 Financial reporting in hyperinflationary economies | 4.6-1 | Restatement of deferred taxation |

Deloitte IFRS communications and publications

| Issuance Date | Description |
|---------------|--|
| 10 Oct 2023 | IFRS on Point—September 2023 |
| 11 Oct 2023 | iGAAP in Focus—Financial reporting: Closing Out—Areas of Focus for Reporting (updated 30 September 2023) |
| 17 Oct 2023 | iGAAP in Focus—Sustainability reporting: California Climate Legislation |
| 26 Oct 2023 | iGAAP in Focus—Sustainability reporting: TNFD publishes final recommendations for nature-related risk management and disclosure |

Comment letters

| | Description | Receiving party | Comment letter submitted / deadline |
|---------------------------|---|-----------------|-------------------------------------|
| Comment letters submitted | Request for Information—Post-implementation Review of IFRS 15 Revenue from Contracts with Customers | IASB | 27/10/2023 |
| Comment letters pending | Tentative Agenda Decision—Payments Contingent on Continued Employment during Handover Periods (IFRS 3) | IFRS IC | 20/11/2023 |
| | Proposed IFRS Taxonomy Update 2023: International Tax Reform—Pillar Two Model Rules, Supplier Finance Arrangements and Lack of Exchangeability | IASB | 4/12/2023 |
| | 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.

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