

IFRS UPDATE



MOORE IFRS NEWS

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Moore IFRS News provides you with the technical updates and tips in financial reporting.

IFRS Updates

➤ **IASB Application Material: IFRS 9 and COVID-19 – Accounting for Expected Credit Losses**

The IASB has issued a document in response to the questions regarding the application of IFRS 9 *Financial Instruments* in the light of current uncertainty resulting from the COVID-19 pandemic. The document highlights the requirements in IFRS 9 that are relevant for companies to consider how the pandemic affects their accounting for expected credit losses (ECL) and emphasises the importance of companies using all reasonable and supportable information available, including historic, current and forward-looking to the extent possible, when determining whether lifetime losses should be recognised on loans and in measuring ECL.

Access the full document [here](#).

➤ **IASB Application Material: IFRS 16 and COVID-19 - Accounting for COVID-19-related Rent Concessions**

The IASB has been made aware of changes in lease payments that have occurred, or are expected to occur, as a result of the COVID-19 pandemic and has therefore issued a document highlighting requirements within IFRS 16 and other IFRS Standards that are relevant for companies considering how to account for rent concessions granted as a result of the COVID-19 pandemic.

Access the full document [here](#).

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➤ IASB Recent Decisions

A supplementary IASB meeting was held on 17 April 2020 to discuss COVID-19 related matters and the IASB has tentatively decided to:

1. Propose an amendment to IFRS 16 *Leases* to help companies account for COVID-19-related rent concessions, such as rent holidays. The IASB tentatively decided to:
 - provide lessees with an optional exemption from assessing whether a COVID-19-related rent concession is a lease modification;
 - require lessees that apply the exemption to account for COVID-19-related rent concessions as if such concessions were not lease modifications;
 - require lessees that apply the exemption to disclose that fact;
 - require lessees to apply the exemption retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the reporting period in which a lessee first applies the amendment;
 - make the exemption immediately effective on issue of the final amendment; and
 - allow 14 days for comment on an exposure draft of the proposed amendment to IFRS 16, subject to approval from the Trustees of the IFRS Foundation.

The **Exposure Draft** has been published with a 14-day comment period until 8 May 2020. This is a significantly shorter comment period than usual, to reflect the urgent nature of the proposed amendment.

2. Publish an exposure draft proposing to delay the effective date of *Classification of Liabilities as Current or Non-Current*, which amends IAS 1, to annual reporting periods beginning on or after 1 January 2023. The Board expects to publish the proposed amendment in an exposure draft with a 30-day comment period in early May.
3. Extend the consultation period of the following published consultation documents by approximately three months to give stakeholders more time to respond, these include:
 - [Exposure Draft on General Presentation and Disclosures](#)
 - [Request for Information on Comprehensive Review of the IFRS for SMEs Standard](#)
 - [Discussion Paper on Business Combinations—Disclosures, Goodwill and Impairment](#)

And several consultations planned for 2020 will be delayed until later in the year or to 2021.

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- IASB April 2020 [Supplementary Update](#)
- IASB April 2020 [Update](#)

Moore Quality Publication

- A publication focusing on the key financial reporting considerations arising from COVID-19 and its associated events for accounting periods ending after 31 December 2019 - [View Here](#).

IASB Consultations

IASB invitations to comment:

- [Exposure Draft ED/2019/7](#) – *General Presentation and Disclosures (Primary Financial Statements)* by **30 September 2020**
- [Request for Information](#) – *Comprehensive Review of the IFRS for SMEs Standard* by **27 October 2020**
- [Discussion Paper DP/2020/1](#) – *Business Combinations—Disclosures, Goodwill and Impairment* by **31 December 2020**
- [Exposure Draft ED/2020/1](#) – Interest Rate Benchmark Reform—Phase 2 Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 by **25 May 2020**
- [Exposure Draft ED/2020/2](#) – COVID-19-Related Rent Concessions by **8 May 2020**

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