

# IFRS UPDATE



## MOORE IFRS NEWS

Issue 006 - June 2020

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

### IFRS Updates

#### ➤ **IASB Amendment to IFRS 16 *Leases* - Covid-19-Related Rent Concessions**

The IASB has issued an **Amendment to IFRS 16 *Leases*** to make it easier for lessees to account for Covid-19-related rent concessions such as rent holidays and temporary rent reductions.

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions for which any reduction in lease payments affects lease payments originally due on or before 30 June 2021.

The amendment is effective 1 June 2020 but, to ensure the relief is available when needed most, lessees can apply the amendment immediately in any financial statements—interim or annual—not yet authorised for issue. Nevertheless, this amendment does not affect lessors.

#### ➤ **IASB Amendments to IFRS 17 - *Insurance Contracts***

The IASB has issued an **Amendments to IFRS 17 *Insurance Contracts*** on 25 June 2020. This amendment is aimed to help companies implement the Standard and to make it easier for them to explain their financial performance.

The fundamental principles in the existing IFRS 17 remain unaffected. The amendments are designed to:

- reduce costs by simplifying some requirements in the Standard;
- make financial performance easier to explain; and
- ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying IFRS 17 for the first time.

IFRS 17 incorporating the amendments is effective from annual reporting periods beginning on or after 1 January 2023.

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## IFRS Updates

- IASB May 2020 **Podcast**
- **Podcast** on Amendments to IFRS 17 *Insurance Contracts* project

## Moore Quality Publication

- A publication summarising the IASB amendment to IFRS 16 *Leases* which provides a practical expedient to lessees as a timely relief during the COVID-19 pandemic and enables them to continue providing information about their leases that is useful to investors - **[View Here](#)**.

## Useful Guidance

- **IFAC Summary** of COVID-19 Financial Reporting Considerations.
- **ICAEW Webcast and Resources** on Impairment of Assets in the Context of COVID-19
- **IASB Guidance** on climate-related disclosures, including the **ICAEW Article** commenting on the guidance.
- **ICAEW and ICAS Guidance** on COVID-19 and going concern for directors of SME businesses.

## 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**

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## CONTACTS

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