

IFRS UPDATE



MOORE IFRS NEWS

Issue 012 - December 2020

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

IFRS Updates

➤ **Proposed Amendment to IFRS 16 – Lease for Sale and Leaseback Transactions**

The IASB has proposed to amend the IFRS 16 *Leases* by specifying how a company measures the lease liability in a sale and leaseback transaction. IFRS 16 includes requirements for how to account for sale and leaseback transactions at the time the transaction takes place. However, it does not specify how to measure the lease liability when reporting after that date. The proposed amendment would provide greater clarity for the company selling and leasing back an asset both at the date of transaction and subsequently. The exposure draft can be viewed [here](#).

➤ **Consultation on possible new accounting requirements for mergers and acquisitions within a group**

The IASB has launched a public consultation on possible new accounting requirements for mergers and acquisitions involving companies within the same group. The *IFRS 3 Business Combinations* set out reporting requirements for mergers and acquisitions. However, that Standard does not specify how to report transactions that involve transfers of businesses between companies within the same group.

The consultation paper presents the Board's preliminary views with the aim to reduce diversity in practice and to improve transparency and comparability in reporting these transactions. Find out more details [here](#).

➤ **IFRIC December 2020 Update**

IFRS UPDATE



Sustainability Reporting

- The IFRS Foundation Trustees hosted two live webinar sessions on their Consultation Paper on Sustainability Reporting. Recordings of the sessions are available [here](#).
- ICAEW released a video of a recent virtual conference debating a route towards a greener economic future and agreed auditors should be empowered to hold organisations to account for their environmental activities. Find out more [here](#).

Useful Guidance and Readings

- The IASB Vice-Chair's speech on the impact of Covid-19 on the Board's work this year, summary of the key projects for 2020 and the Board's priority projects for 2021. Find out more [here](#).

IASB Consultations

IASB invitations to comment:

- **Discussion Paper DP/2020/1** – *Business Combinations—Disclosures, Goodwill and Impairment* by **31 December 2020**
- **Consultation Paper** – *Sustainability Reporting* by **31 December 2020**
- **Exposure Draft ED/2020/4** – *Lease Liability in a Sale and Leaseback* by **29 March 2021**
- **Discussion Paper DP/2020/2** – *Business Combinations under Common Control* by **1 September 2021**

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