

# IFRS UPDATE



## MOORE IFRS NEWS

Issue 005 – May 2021

Moore IFRS News provides you with technical updates and tips in financial reporting. Connect with our [Moore Global Quality Team](#) today if you have any questions, comments, and ideas.

### IFRS Updates

- **IASB clarifies the accounting for deferred tax on leases and decommissioning obligations**

The IASB has issued targeted amendments to IAS 12, the IFRS Standard on income taxes, to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations.

In specified circumstances, companies are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations—transactions for which companies recognise both an asset and a liability.

The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions, and are effective for annual reporting periods beginning on or after 1 January 2023, with early application permitted.

More information can be accessed [here](#).

- **Compilation of Agenda Decisions – Volume 4 published**

The IFRS Foundation’s fourth Compilation of Agenda Decisions brings together agenda decisions published by the IFRS Interpretations Committee (Committee) from October 2020 to March 2021.

The agenda decisions included in this compilation relate to IFRS 7 Financial Instruments: Disclosures, IAS 1 Presentation of Financial Statements, IAS 7 Statement of Cash Flows, and IAS 38 Intangible Assets.

The agenda decisions are organised by the IFRS Standard to which they relate. The document is intended to make the already published work of the Committee more accessible. The document can be accessed [here](#).

- **April 2021 IFRS Interpretations Committee podcast**

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In the first episode of 2021, IFRS Interpretations Committee Chair and Vice-Chair of the IASB Sue Lloyd joins Technical Staff Member Patrina Buchanan to talk about recent activities to support the consistent application of IFRS Standards during the first quarter of 2021.

Topics include:

- the definition of net realisable value in IAS 2;
- sale of a subsidiary with a leaseback (IFRS 10 and IFRS 16);
- narrow-scope amendments to IAS 8 relating to accounting policies and accounting estimates; and
- narrow-scope amendments to IFRS 16 related to rent concessions.

The podcast can be accessed [here](#). To listen this and other podcasts you can visit the IFRS Foundation [podcast page](#) or [YouTube channel](#).

## • IFRIC Update April 2021

The IFRS Interpretations Committee met on 20 April 2021 and discussed several issues, including:

- Attributing Benefit to Periods of Service (IAS 19 Employee Benefits)—Agenda Paper 2
- Hedging Variability in Cash Flows due to Real Interest Rates (IFRS 9 Financial Instruments)—Agenda Paper 4
- Classification of Debt with Covenants as Current or Non-current (IAS 1 Presentation of Financial Statements)—Agenda Paper 3
- Work in Progress—Agenda Paper 5
- Attributing Benefit to Periods of Service (IAS 19 Employee Benefits)—Agenda Paper 2
- Hedging Variability in Cash Flows due to Real Interest Rates (IFRS 9 Financial Instruments)—Agenda Paper 4

Information about the decisions and considerations discussed can be accessed [here](#).

## • Webcasts: Explaining the discussion document on Combination of businesses under common control in Spanish and Portuguese languages

The International Accounting Standards Board (IASB) has published webcasts in [Spanish](#) and [Portuguese](#) languages on its Discussion Paper on Business Combinations under Common Control. The webcasts provide a summary of the Board's preliminary views on the Discussion Paper.

## Sustainability Reporting

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- **3-Step sustainability assessment for SMEs**

Accountancy Europe published a useful checklist for accountants and advisors of SME clients to assist their clients in building their sustainability profile. Read more [here](#).

- **Essential guide to valuations and climate change**

The Canadian Chapter of the A4S Accounting for sustainability network has developed a five-step framework to help investors and valuers incorporate climate change risks and opportunities into valuations. Read more [here](#) and obtain access to the webinar, guide and case studies.

- **Enhancing Corporate Recording: Sustainability Building Blocks**

The IFAC published an update on The Way Forward Roadmap for reporting sustainability information, explaining the concept of building blocks as part of the roadmap. Read more [here](#).

We value your feedback on using these network resources. [Contact us](#) for any questions, comments or ideas.

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