

IFRS UPDATE



MOORE IFRS NEWS

Issue 018 – October 2024

Moore IFRS News provides you with technical updates and tips in relation to IFRS financial Reporting arising in the Third quarter of 2024.

IFRS Update

IASB issues Annual Improvement to IFRS Accounting Standards

The IASB has released [**Annual Improvements to IFRS Accounting Standards – Volume 11**](#) which makes a series of minor changes to the following standards:

- IFRS 1 *First-time adoption of International Financial Reporting Standards*
- IFRS 7 *Financial Instruments: Disclosures* (and its accompanying guidance)
- IFRS 9 *Financial Instruments*
- IFRS 10 *Consolidated Financial Statements*
- IAS 7 *Statement of Cash Flows*

These amendments are not expected to have a significant impact. The amendments are applicable for years beginning on or after 1 January 2026 with earlier application permitted.

IASB proposes improvements to equity accounting

The IAS has released an [**Exposure Draft**](#) of proposed amendments to IAS 28 *Investments in Associates and Joint Ventures* to respond to questions that preparers had regarding how to apply the equity method of accounting. The aim of the amendments is to reduce diversity in practice on the way entities apply equity accounting, and to enhance disclosures that companies provide about these investments. A [**snapshot**](#) of the key proposals is also available.

The Exposure Draft is open for comment until 20 January 2025.

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IASB proposes illustrated examples to improve reporting of climate-related and other uncertainties in financial statements

The IAS has released an **Exposure Draft** of proposed illustrative examples to be added to a number of IFRS Accounting Standards to provide guidance on how climate-related and other uncertainties should be reported in the financial statements. This is in response to concerns that the related disclosures were often insufficient, or inconsistent with information provided elsewhere, such as in sustainability disclosures. As illustrative examples, the proposals will not add to or change the existing requirements in IFRS Accounting Standards, it only provides guidance on how the existing requirements should be applied.

The Exposure Draft is open for comment until 28 November 2024.

IASB proposes amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

The IAS has released an **Exposure Draft** of proposed amendments to IFRS 19 relating to the impacts of standards and amendments that the IASB had issued since February 2021 which were not contemplated in the initial drafting of IFRS 19. These amendments bring in features such as:

- Lack of exchangeability
- Pillar two Model Rules
- Supplier financing arrangements
- Non-current liabilities with covenants
- Considerations relating to IFRS 18 *Presentation and Disclosure in Financial Statements*.

The Exposure Draft is open for comment until 27 November 2024.

IASB proposes amendments for translating financial information into hyperinflationary currencies

The IAS has released an **Exposure Draft** of proposed amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* to introduce new translation requirements when an entity translates financial information from a non-hyperinflationary currency into a hyperinflationary currency. The proposals are designed to reduce diversity in practice and improve the information available whilst being cost effective to implement.

The Exposure Draft is open for comment until 22 November 2024.

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IASB completes its Post Implementation Review of IFRS 15 Revenue from Contracts with Customers

The IASB has concluded its Post Implementation Review (PIR) of IFRS 15 and issued a [project summary](#) and feedback statement. The Board concluded that the revenue recognition criteria of IFRS 15 are operating as they intended. However, as part of the next agenda consultation they will consider whether further work should be taken on how a company decides if it is the primary seller or an agent in a transaction, how to report payments to customers and how IFRS 15 interacts with a couple of other standards.

IASB releases webinar on implementing IFRS 19 Subsidiaries without public accountability: Disclosures

As part of the materials to support the issuance of IFRS 19, the IASB has released a [webinar](#) regarding the benefits of this new voluntary standard and practical implementation insights.

As this is a voluntary standard, please check with your local jurisdiction regarding the implementation of IFRS 19.

New translations of IFRS materials are now available

The IASB has published a selection [translations](#) of IFRS Accounting Standards, agenda decisions, exposure drafts and educational materials in the following languages:

- Arabic
- French
- Georgian
- Japanese
- Korean
- Spanish

The ISSB has published [translations](#) of IFRS Sustainability educational and support materials in the following languages:

- Japanese
- Korean

ISSB issues a guide for companies to voluntarily apply ISSB Standards

The ISSB has issued [Voluntarily applying ISSB Standards – A guide for preparers](#) to assist preparer who wish to voluntarily adopt the ISSB standards and provides guidance on how to communicate their progress with stakeholders.

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ISSB hosts webinar on Perspectives on sustainability disclosures

The ISSB has hosted the third [webinar](#) in its series Perspectives on Sustainability disclosures focusing on 'the value of industry specific disclosures.

IFRS Foundation Meetings

All IASB Updates are also available in [Spanish](#) and [Chinese](#)

IASB Meetings

The IASB have met three times this quarter:

- **July 2024**

At the July meeting the IASB made the following key decisions:

- Finalised its deliberations on Rate Regulated Activities. It has concluded that re-exposure is not required and will now proceed to draft the final standard. The standard is expected to be effective for years beginning on or after 1 January 2029 and it is expected to be issued in the second half of 2025.
- Finalised its Post implementation review of IFRS 15, and that the standard is working as intended.

The IASB also continued to deliberate on the following projects:

- Dynamic risk management
- Financial Instruments with the characteristics of equity
- Second comprehensive review of the IFRS for SMEs Accounting Standard
- Maintenance and consistent application projects
 - Review of the IFRIC Update from June 2024, and approval of IFRIC Agenda Decisions *Disclosure of Revenues and Expenses for Reportable Segments (IFRS 8)*. Refer to previous newsletter for a summary of this agenda decision.

For further information refer to the [IASB Update](#) or listen to the [IASB July 2024 Podcast](#).

- **August 2024 (supplementary meeting)**

The Board held a supplementary meeting in August to discuss feedback on the exposure draft *Contracts for Renewable Energy*. This is also known as the power purchase agreements project. No decisions were made.

For further information refer to the [IASB Update](#) or listen to the [IASB September 2024 Podcast](#) which also includes coverage of power purchase agreements.

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• **September 2024**

At the September meeting IASB made the following key decisions:

- The Board decided to commence two research projects. One amortised cost measurement and the other on Statement of Cash Flows and other related matters. This is the first step in a potential standard setting project.

The IASB also continued to discuss the following projects:

- Dynamic Risk Management
- Management commentary
- Addendum to the Exposure Draft Third edition of IFRS for SMEs Accounting Standard
- Maintenance and consistent application
 - Power purchase agreements

For further information refer to the [IASB Update](#) or listen to the [IASB September 2024 Podcast](#).

IFRS Interpretations Committee Meetings (IFRIC)

• **September 2024**

IFRIC met in September and discussed the following:

A tentative Agenda decision on:

- *Guarantees issued on Obligations of Other Entities*
IFRIC was asked how entities should account for guarantees that they have made over the obligations of joint venture and whether such a guarantee should be accounted for under IFRS 9, IFRS 17, IFRS 15 or IAS 37. IFRIC's tentative agenda decision is that judgement will be required based on the specific facts and circumstances.
- *Recognition of revenue from tuition fees*
IFRIC noted no diversity in practice in relation to this issue and concluded no further work was required.

IFRIC also discussed a couple of other minor projects to provide feedback to the IASB

For further information refer to the [IFRIC Update](#) or listen to the [IFRIC Quarter 3 2024 Podcast](#).

ISSB Meetings

The ISSB have met twice this quarter.

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• **July 2024**

The ISSB discussed their work plan and how to progress with the projects. In particular:

- How to continue to embed interoperability into the ISSB's ongoing work especially with the European Sustainability Reporting Standard(s) (ESRS) and GRI Standards
- How to commence their research projects on Biodiversity, Ecosystems and ecosystem services, and human capital, including building on existing SASB standards
- Their approach to enhancing the SASB standards

For further information refer to the [ISSB Update](#) or listen to the [ISSB July 2024 Podcast](#).

September 2024

The ISSB discussed the following:

- Educational session on the SASB standard content relating to Biodiversity, Ecosystems and ecosystem services
- The SASB standards to prioritise for enhancement as part of their current work plan. No decisions were made.

For further information refer to the [ISSB Update](#) or listen to the [ISSB September 2024 Podcast](#).