



IFRS Pulse

Απρίλιος | Ιούνιος 2020



IFR bulletins & IFRS News

BDO IFR Bulletins

BDO releases IFRB 2020/07 - Impairment Implications of COVID-19 (IAS 36)

BDO has released IFR Bulletin 2020/07 - Impairment Implications of COVID-19. This is an external publication, which discusses the practical implications of COVID-19 on impairment calculations, including:

- When to test for impairment;
- How information obtained subsequent to period end should be treated; and
- How to reflect uncertainty arising from COVID-19 in discount rates and cash flows used in impairment calculations.

The publication may be accessed [here](#).

BDO releases IFRB 2020/09 - Impairment Implications of COVID-19 (IFRS 9)

BDO has just published an IFR Bulletin discussing the implications of COVID-19 on the expected credit loss (ECL) requirements of IFRS 9, which is particularly important for lending entities. This bulletin highlights a number of important considerations, including how to determine whether post-balance sheet date information should be incorporated into ECL measurement, how COVID-19 affects the staging of financial assets and other effects of the pandemic on ECL measurement.

The publication may be accessed [here](#).

BDO releases IFR Bulletin 2020/10 - IASB Issues Amendments to IFRS 17, Insurance Contracts

The IASB released the final amendments to IFRS 17 on 25 June 2020. The amendments clarify many of the requirements of IFRS 17, as well as defers the effective date to 1 January 2023. As the number of changes to IFRS 17 is very significant, BDO has



released an IFR Bulletin, which summarises these changes and their practical effects.

The publication may be accessed [here](#).

BDO releases IFR Bulletin 2020/11 - Accounting for Rent Concessions: Lessee FAQs

BDO has released IFR Bulletin 2020/11 - Accounting for Rent Concessions: Lessee FAQs. This publication answers dozens of questions that lessees have been asking with regards to the recent amendments to IFRS 16: COVID-19 related rent concessions. The Bulletin answers how to assess whether a lessee may apply the practical expedient, how the underlying calculations should be done, along with numerous illustrative examples of common rent concessions.

The Bulletin may be accessed [here](#)

All of BDO's IFR Bulletins may be accessed [here](#).

BDO releases online course on January and April 2020 IFRIC Meetings

BDO has released an interactive online course summarising the final agenda decisions arising from the January and April 2020 IFRIC meetings. These final agenda decisions are:

- Definition of a lease - decision making rights (IFRS 16);
- Training costs to fulfil a contract (IFRS 15);
- Translation of a hyperinflationary foreign operation (IAS 29); and
- Multiple tax consequences of recovering an asset (IAS 12).

The course may be accessed [here](#).

BDO releases online training module on May 2020 IFRS amendments

In May 2020, the IASB issued several narrow scope

amendments to IFRS. BDO has released an online training module explaining the amendments. The amendments are:

- Amendments to IFRS 3 Business Combinations
- Amendments to IAS 16 Property, Plant and Equipment
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- Annual Improvements

The training module may be accessed [here](#).

All of BDO's online training may be accessed [here](#).

IASB News

IASB issues document responding to questions on the application of IFRS 9 in light of the coronavirus

The IASB has issued a document which responds to a number of immediate questions that have arisen due to the outbreak of the coronavirus worldwide. The document does not change, remove or add to the requirements of IFRS 9, but it is intended to support the consistent application of the standard. Regulators and professional bodies worldwide have also been issuing guidance relating to the application of IFRS 9 and other IFRS standards in light of the coronavirus.

The document may be accessed [here](#).

IASB issued exposure draft on interest rate benchmark reform ('IBOR - phase 2')

The IASB has issued Exposure Draft 2020/1 - Interest Rate Benchmark Reform - Phase 2, Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The exposure draft has a comment period ending on 25 May 2020.

The Exposure draft considers the effects of interest rate benchmark reform on financial reporting. The

IASB had previously issued amendments to IFRS to deal with some of these consequences ('IBOR - phase 1'). This new exposure draft proposed amendments relating to:

- Modifications of financial instruments;
- Hedge accounting; and
- Disclosures.

The amendments are intended to provide relief from the outcomes that would be created due to

The publication may be accessed [here](#).

IASB Chair publishes article discussing rationale for Board's conclusion on annual cohorts in amendments to IFRS 17

Hans Hoogervorst, the chair of the IASB, has published an article outlining the rationale for the Board's decision to not alter the requirements of IFRS 17 relating to annual cohorts and the unit of account for applying the standard. Respondents

cerning the classification of liabilities as current or non-current. The final amendments were previously issued in January 2022 with a mandatory effective date for annual reporting periods beginning on or after 1 January 2022. This exposure draft proposes to defer the mandatory effective date to annual reporting periods beginning on or after 1 January 2023.

The IASB is proposing the deferral so soon after the issue of the amendments due to the disruptive effects of COVID-19.

IASB issues package of narrow-scope amendments to IFRS standards

The IASB has released a number of amendments to IFRS standards. They are all effective for annual reporting periods beginning on or after 1 January 2022.

- **Amendments to IFRS 3 Business Combinations** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without



interest rate benchmark reform if IFRS standards had not been amended.

The exposure draft may be accessed [here](#).

IASB publishes Compilation of IFRIC agenda decisions - volume 2

The IASB has published the second volume of IFRIC agenda decisions. This publication summarises all IFRIC agenda decisions published between October 2019 and March 2020. IFRIC agenda decisions by relevant standard may also be accessed [here](#).

to the IASB's exposure draft on the amendments to IFRS 17 raised concerns about these requirements for certain types of insurance contracts with mutualisation and risk-sharing features.

The article may be accessed [here](#).

IASB releases Exposure Draft 2020/3: Classification of Liabilities as Current or Non-current - Deferral of Effective Date

The IASB has issued an exposure draft proposing to defer the effective date of amendments to IAS 1 con-

The exposure draft may be accessed [here](#).

April 2020 IFRIC update available

The April 2020 IFRIC update has been made available. The update includes discussion of supply chain financing arrangements, a final agenda decision on multiple tax consequences of recovering an asset (IAS 12) and a work in progress update.

The IFRIC update may be accessed [here](#).

changing the accounting requirements for business combinations.

- **Amendments to IAS 16 Property, Plant and Equipment** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets** speci-

fy which costs a company includes when assessing whether a contract will be loss-making.

- **Annual Improvements** make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases

Further information on the amendments may be accessed [here](#).

IASB issues amendments to IFRS 16: COVID-19-Related Rent Concessions

On 28 May 2020, the IASB issued final amendments to IFRS 16 related to COVID-19 rent concessions for lessees.

The amendments modify the requirements of IFRS 16 to permit lessees to not apply modification accounting to certain leases where the contractual terms have been affected due to COVID-19 (e.g. rent holidays or other rent concessions).

The amendments may be accessed [here](#).

IASB issues final amendments to IFRS 17, Insurance Contracts

On 25 June 2020, the IASB issued final amendments to IFRS 17, Insurance Contracts. These amendments modify the requirements of IFRS 17 based on feedback received from stakeholders, and defers the effective date from annual reporting periods beginning on or after 1 January 2021 (the original effective date) to 1 January 2023.

More information on the amendments may be found on the IASB's website [here](#). The IASB has also posted a 15-minute video on the amendments on the IFRS Foundation's Youtube channel [here](#).

June 2020 IFRIC Update available

The June 2020 IFRS Interpretations Committee update has been posted. The IFRIC reached one tentative agenda decision and issued three agenda decisions.

The update may be accessed [here](#).

ESMA / IOSCO

ESMA publishes 24th extract from its EECS database

ESMA has released eight decisions taken by European enforcers in the period between May 2018 and October 2019. The issues cover the following topics:

- Identification of performance obligations;
- Liquidity risk of notes with early redemption option;
- Deferred tax assets related to a change in accounting policy due to the initial application of IFRS 9;
- Assessment of de-facto control;
- Disaggregation of revenue;
- Presentation of condensed interim income statement;
- Accounting for a framework agreement; and
- Identifying components in lease contracts.

The report may be accessed [here](#).

IOSCO issues statement on the application of accounting standards during COVID-19 outbreak

The International Organisation of Securities Commissions (IOSCO) has issued a statement on its view of the application of accounting standards during the COVID-19 outbreak. The statement focuses on the application of IFRS 9's expected credit loss (ECL) requirements.

The statement may be accessed [here](#).

ESMA calls for transparency on COVID-19 effects in H1 financial reports

The European Securities and Markets Authority (ESMA) has issued a public statement addressing the implications of the COVID-19 pandemic on H1 financial reports for listed issuers. The public statement provides recommendations on areas of focus and additional steps ESMA is planning to take, including collecting data on how EU listed entities apply their recommendations.

The public statement may be accessed [here](#).

IOSCO issues statement on Importance of Disclosure about COVID-19

The International Organization of Securities Commissions (IOSCO) has issued a statement emphasizing the importance of fair disclosure about COVID-19 related impacts in issuers' financial statements. The public statement discusses the various areas of financial statements that will be likely impacted by COVID-19 and expectations concerning disclosures and the use of non-GAAP financial measures / alternative performance measures (APMs).

The statement may be accessed [here](#).

IFRS Intelligence & IFRS in Practice

IFRS in Practice

BDO releases IFRS 15 In Practice 2020/2021

BDO has published its annual update to IFRS 15 In Practice (2020/2021). This includes our most recent insights into the application of IFRS 15, including 'BDO comments' and views on complex application areas and commentary on recent IFRIC agenda decisions. While IFRS 15 has been effective for a number of years now, it remains a very challenging and complex area for many entities.

The publication may be accessed [here](#).

BDO releases Illustrative Interim Financial Statements as at 30 June 2020


BDO has released illustrative interim financial statements as at 30 June 2020. This publication includes explanations and illustrative disclosures for 30 June 2020 year-ends, including illustrative disclosures that may be required due to the effects of COVID-19. These include impairment of assets, applying the amendments to IFRS 16: COVID-19 related rent concessions, and others.

The publication may be accessed [here](#).

All of BDO's IFRS In Practice publications may be accessed [here](#).

All illustrative financial statements may be accessed [here](#).





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