



IFRS Pulse

Οκτώβριος | Δεκέμβριος 2019

Special Announcement: Launch of New IFRS Micro-site

BDO IFR Advisory has launched its brand new IFRS Reporting Micro-site.

This page is the new home for all of BDO's external publications, online training and client resources. It can be accessed [here](#).

New features of the micro-site include:

- Revamped, modern layout that is optimised for mobile viewing (e.g. mobile and tablet);
- Programming optimised to increase search results and web traffic to the micro-site;
- The ability to search for all resources by applicable standard using 'filters' (e.g. all IFRS 9 resources available) in the IFRS Resource Library section; and
- Brand new, free online training resources (click [here](#)): online, interactive training modules on various IFRSs, broken down into 'bite sized' modules. IFR Advisory plans to release more modules in the near future, so stay subscribed to this newsletter for future updates.

Follow BDO on LinkedIn for further Publication Announcements and IFRS news

Global IFR Advisory will be actively posting new articles, publications and IFRS news via the BDO Global LinkedIn page that will allow you to:

- Easily share BDO insights, publications and documents with your own LinkedIn network; and
- Find out about new publications and resources more quickly.

BDO Global's LinkedIn page can be accessed [here](#).

IFR bulletins & IFRS News

BDO IFR Bulletins

BDO Releases IFRS Bulletin 2019/04 - IFRIC Issues Final Agenda Decision for an Assessment of the Lease Term (IFRS 16)

BDO has released a new IFRB Bulletin on the impact of a final agenda decision arising from the November 2019 meeting of the IFRS Interpretations Committee ('the Committee'). At the November meeting, the Committee concluded that in determining the enforceable period of a lease, entities must consider the broader economics of an arrangement and not only contractual 'penalties'.

This decision may have broad reaching effects for entities, particularly for lessees with 'month to month' or related party leases where there is not a defined contractual end date. It may also affect the assessment of the lease term when entities have significant leasehold improvements installed in leased space, since the agenda decision clarifies that these types of potential economic penalties (i.e. abandoning leasehold improvements) may affect the assessment of the lease term.

Please click [here](#) to be redirected to the BDO Global IFRS micro-site to access the suite of BDO IFR Bulletins.

IASB News

IASB Issues Exposure Draft 2019/7 - General Presentation and Disclosures to replace IAS 1

The IASB has issued an exposure draft (ED) as part of its primary financial statement project. The exposure draft would replace IAS 1, Presentation of Financial Statements with a new standard, Generation Presentation and Disclosures. The proposals in the exposure draft bring forward many aspects of IAS 1, but propose significant changes that are intended to respond to investor demands, with particular focus on the statement of financial performance (i.e. the income statement).

The proposals would significantly increase comparability between entities by requiring three specific profit sub-totals including a definition of 'operating profit', which had not previously been defined in IFRS. The proposals would also require the disclosure of management performance measures ('MPMs') in a single note to the financial statements, which are subtotals of income and expenses that are not specified by IFRS. The proposals also increase the requirements to disaggregate information in the statement of financial performance.

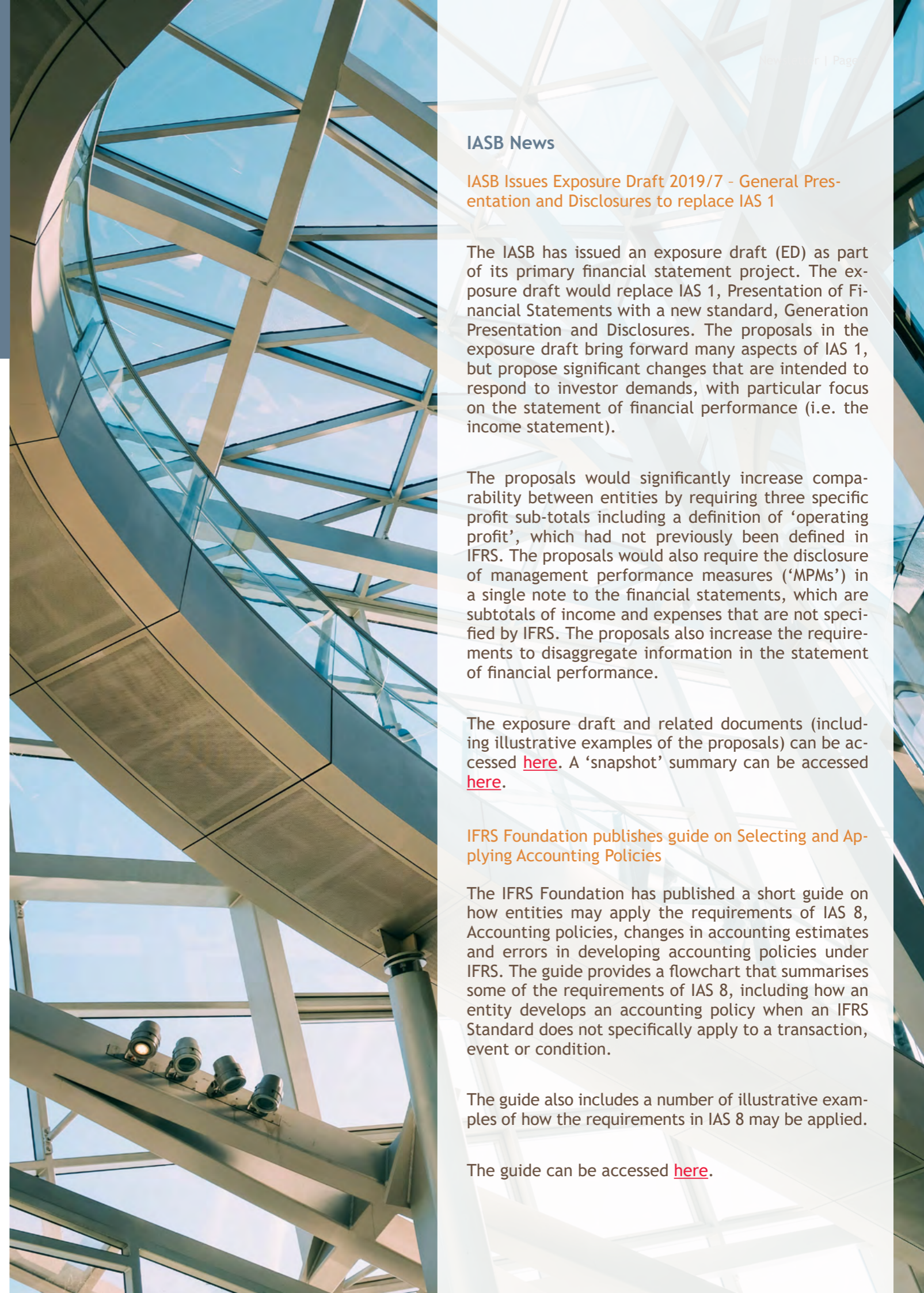
The exposure draft and related documents (including illustrative examples of the proposals) can be accessed [here](#). A 'snapshot' summary can be accessed [here](#).

IFRS Foundation publishes guide on Selecting and Applying Accounting Policies

The IFRS Foundation has published a short guide on how entities may apply the requirements of IAS 8, Accounting policies, changes in accounting estimates and errors in developing accounting policies under IFRS. The guide provides a flowchart that summarises some of the requirements of IAS 8, including how an entity develops an accounting policy when an IFRS Standard does not specifically apply to a transaction, event or condition.

The guide also includes a number of illustrative examples of how the requirements in IAS 8 may be applied.

The guide can be accessed [here](#).



IFRS Foundation Publishes Compilation of 2019 IFRIC Agenda Decisions

For the first time, the IFRS Foundation has published a document combining IFRIC Agenda Decisions.

This biannual publication covers all IFRIC Agenda Decisions from January to September 2019. The IASB plans to publish future compilations twice a year, in April and October.

The compilation can be accessed [here](#).

November IFRIC Meeting Update Available

The IFRS Interpretation Committee ('the Committee') update summarising the 26 November 2019 IFRIC meeting has been posted. At the meeting, the Committee presented two tentative agenda decisions:

- Player transfer payment (IAS 38, Intangible Assets); and
- Multiple tax consequences of recovering an asset (IAS 12, Income Taxes).

The Committee issued one final agenda decision:

- Lease term and useful life of leasehold improvements (IFRS 16, Leases and IAS 16 Property, Plant and Equipment).

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

October IASB Meeting Papers and Agenda

The agenda and associated papers for the IASB's 21-25 October meetings have been posted. Topics for discussion include:

- Implementation Matters
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts—Costs of Fulfilling a Contract
- Sale of a Single Asset Entity Containing Real Estate
- Business Combinations under Common Control
- Management Commentary
- Amendments to IFRS 17 Insurance Contracts
- IBOR Reform and the Effects on Financial Reporting
- Financial Instruments with Characteristics of Equity
- Dynamic Risk Management
- SME standard review and update
- Subsidiaries that are SMEs
- Accounting Policies and Accounting Estimates (Amendments to IAS 8)

The agenda and papers can be found [here](#).

November IASB Meeting Papers and Agenda

The agenda and associated papers for the IASB's 19-20 November 2020 meeting have been published. Topics include:

- Primary Financial Statements
- Subsidiaries that are SMEs
- Disclosure Initiative
- IFRS 3 reference to the Conceptual Framework
- Management Commentary
- Amendments to IFRS 17 Insurance Contracts
- Implementation Matters
- Lack of Exchangeability (IAS 21)
- Annual Improvements
- Cryptoassets

The agenda and papers can be accessed [here](#).

December IASB meeting materials available

The meeting materials, including agenda papers, have been posted for the IASB's upcoming 10-12 December 2019 meeting. The topics include:

- Implementation Matters
- Onerous Contracts
- Annual Improvements 2018-2020

- Accounting Policies and Accounting Estimates (Amendments to IAS 8)
- Financial Instruments with Characteristics of Equity
- Amendments to IFRS 17 Insurance Contracts
- IFRS 3 reference to the Conceptual Framework
- SME Standard review and update
- IBOR Reform and the Effects on Financial Reporting
- Subsidiaries that are SMEs
- Business Combinations under Common Control

The meeting materials can be accessed [here](#).

IASB releases Article on how Climate-related Disclosures related to IFRS Standards

Nick Anderson, member of the IASB, has published an article on how IFRS Standards may be applied to climate-related disclosures. The article discusses this in the context of:

- How to make materiality judgments;
- Applying IFRS Practice Statement 2 Making Materiality Judgments to climate-related and emerging risks;
- Financial reporting considerations when applying IFRS Standards;
- Disclosing climate-related and other emerging risks in the financial statements;



- Management commentary: providing context to the financial statements; and
- A summary: materiality judgments should serve investor's information needs.

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

Summary of Capital Markets Advisory Committee (CMAC) October Meeting

The meeting notes from the 10 October 2019 meeting of the Capital Markets Advisory Committee have been published. The Committee discussed:

- Rate Regulated Activities;
- Post-implementation reviews of IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interest in Other Entities; and
- The IASB's upcoming Agenda Consultation

The agenda and meeting materials can be accessed [here](#). The meeting summary can be accessed [here](#).

Accounting Standards Advisory Forum (ASAF) Meeting Summary Available

The Accounting Standards Advisory Forum met on 3 October 2019 and discussed a variety of topics:

- Accounting Estimation
- Agenda planning and project progress/2020 Agenda Consultation
- Disclosure Initiative—Accounting Policy Disclosure
- Dynamic Risk Management
- Financial Instruments with Characteristics of Equity
- IBOR Reform and its Effects on Financial Reporting

The meeting summary and other documents related to the meeting can be accessed [here](#).



EFRAG

EFRAG Issues Endorsement Advice on Interest Rate Benchmark Reform

EFRAG has issued its endorsement advice on the IASB's amendments to IFRS 9, IAS 39 and IFRS 7 relating to interest rate benchmark reform. EFRAG has recommended that the amendments be endorsed.

EFRAG accelerated the development of its endorsement advice in order to complete its part of the endorsement process as speedily as possible, since the amendments are time sensitive.

The endorsement advice letter can be found [here](#).

The document also highlights the specific requirements relating to the disclosure of non-financial information such as environmental and climate change-related matters, key-performance indicators, the use of disclosure frameworks and supply chains and specific aspects related to the application of the ESMA Guidelines on Alternative Performance Measures (APMs).

The full document can be accessed [here](#).

ESMA

ESMA Releases Common Enforcement Priorities for 2019 Annual Financial Reports

ESMA has released its annual public statement defining European common enforcement priorities for 2019 annual financial reports of listed companies. These priorities include:

- Implementation of IFRS 16;
- Follow-up on specific issues related to the application of IFRS 9 for credit institutions and IFRS 15 for corporate issuers; and
- Specific issues related to the application of IAS 12 and IFRIC 23.

IFRS Intelligence & IFRS in Practice

IFRS in Practice

BDO Publication - IFRS Illustrative Financial Statements for 31 December 2019 year ends.

The 2019 version has incorporated a number of changes resulting from the mandatory first time adoption of a number of new, revised, and amended IFRSs, including:

- IFRS 16, Leases
- IFRIC 23, Uncertainty over income tax treatments

Please click [here](#) to access Model IFRS Financial statements on the BDO Global IFRS micro-site.

BDO Responses

BDO has submitted its comment letter to the IASB's exposure draft (available [here](#)) 2019/6 - Disclosure of Accounting Policies, Proposed amendments to IAS 1 and IFRS Practice Statement 2.

BDO is supportive of the IASB's proposed amendments; however, concerns were raised concerning the drafting of the proposed amendments and how their application may result in useful information being removed from financial statements.

BDO submits response to IASB ED 2019/5 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

BDO has submitted its response letter to the IASB on exposure draft ('ED') 2019/5. BDO is supportive of the IASB's goal to reduce diversity in practice relating to how deferred tax is calculated in a variety of situations (e.g. leases, asset retirement obligations, etc.). However, BDO has raised concern relating to how the proposed amendments have been drafted.

BDO's comment letters can be viewed [here](#).

IFRS Micro-site Online training

BDO's e-learning site can be accessed [here](#).

IFRS 9

BDO has released two interactive, online training modules on the BDO Reporting Hub, which is available to external contacts as well as BDO staff. The modules are on the following topics:

- IFRS 9: inter-company loans; and
- IFRS 7: disclosures (new disclosures as a result of IFRS 9).

Both modules can be accessed under IFRS 9 [here](#).

IFRIC September 2019 Meeting

BDO Global has published its interactive online course on IFRIC September 2019 meeting. The IFRIC issued a number of agenda decisions on biological assets, leases and other current IFRS topics.

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

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