



IFRS Pulse

Δεκέμβριος 2018 | Φεβρουάριος 2019

## IFR Bulletins & IFRS News

### BDO IFR Bulletins

BDO has issued some IFR Bulletins that relate to the following developments:

- IFRB 2018/07 - definition of a business
- IFRB 2018/08 - definition of material
- IFRB 2019/09 - ESMA Enforcement Priorities for 2018 financial statements

These IFRBs explain:

- Recent amendments to IFRS 3 and the definition of a “business”, which may reduce the number of business combinations occurring;
- Recent amendments to IAS 1 and 8 concerning the definition of what is “material”; and
- ESMA’s recent enforcement priorities for 2018 financial statements, with particular focus on the implementation of IFRS 9 and 15 and disclosures concerning the impact of IFRS 16.

Please click [here](#) to access the new publication and the full library of BDO’s IFR Bulletins.

### IASB News

#### IASB to propose one-year deferral of insurance contracts Standard

The IASB has voted to propose a one-year deferral of the effective date for IFRS 17, the new insurance contracts Standard, to 2022. The Board has also decided to propose extending to 2022 the temporary exemption for insurers to apply the financial instruments Standard, IFRS 9, so that both IFRS 9 and IFRS 17 can be applied at the same time.

The article is available from the IASB’s website [here](#).

#### IASB Releases Webcast on IFRS 15 for Investors

The IASB has released a webcast focused on explaining IFRS 15 Revenue from Contracts with Customers to investors. Many entities will be publishing their first annual accounts with full IFRS 15 disclosures very shortly, so the presentation explains how a user should read the updated financial statements and what IFRS 15 means to an investor.

The webcast can be viewed [here](#).

#### IASB Updates Work Plan including Proposed Amendments to IFRS 17 Insurance Contracts

The IASB has updated their work plan for a number of projects including:

- Primary Financial Statements
- Amendments to IFRS 17 Insurance Contracts (exposure draft expected end of H1 2019)
- IBOR reform and the effects on financial reporting

The full February IASB update can be viewed [here](#).

#### ESMA Publishes List of Thresholds Below Which an EU Prospectus is not Required

The Prospectus Regulation introduces a new threshold below which an offer does not require a prospectus. This threshold is one million Euros. Member States may decide to raise that threshold to a maximum of eight million Euros provided that an offer will not be passported to another Member State.

ESMA’s document contains information provided by national competent authorities setting out:

- A short description of the national thresholds below which no prospectus is required;
- A summary of any national rules which apply to offers below that threshold; and
- Hyperlinks to the relevant national legislation and rules.

The documents are available from ESMA’s website [here](#).

## IASB Releases Project Summaries relating to projects on IFRS 8 and Discount Rates

The IASB has published two documents summarising work that the Board has undertaken on two different subjects:

1. **IFRS 8 Operating Segments:** the document summarises the feedback that the Board received on its March 2017 Exposure Draft on improvements to IFRS 8 and IAS 34. The document also explains why the Board decided not to proceed with those proposals.
2. **Discount rates:** the document provides an overview of the research and considerations by the Board from 2014-2017 in its overarching research project relating to discount rates used throughout IFRS.

The documents can be viewed [here](#).

## IASB Publishes Investor Publication on Analysing Lessee Financial Statements and Non-GAAP Measures

The IASB has published a document intended for investors that explains how non-GAAP measures such as Free Cash Flow (FCF) may be interpreted in light of new information available to financial statement users under IFRS 16 Leases.

The full publication can be viewed [here](#).

## IASB clarifies its definition of ‘material’

The IASB has issued amendments to its definition of material to make it easier for companies to make materiality judgements. The definition of material, an important accounting concept in IFRS Standards, helps companies decide whether information should be included in their financial statements. The updated definition amends



IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The changes are effective from 1 January 2020, but companies can decide to apply them earlier.

- **Old definition:** Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements (IAS 1 Presentation of Financial Statements).
- **New definition:** Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The article is available from the IASB's website [here](#).

## ESAS Publishes Statement Clarifying Securitisation Disclosure Requirements and Consolidated Application of Securitisation Rules for Credit Institutions

The European Supervisory Authorities (ESAs - European Banking Authority, European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority) have published a statement in response to industry concerns relating to severe operational challenges both in meeting the transitional provisions of the Securitisation Regulation disclosure requirements, as well as in complying with the EU requirements on risk retention, transparency, re-securitisation and criteria for credit-granting obligations on a consolidated basis by EU credit institutions engaged in local securitisation activities in third countries.

The statement can be viewed [here](#).

## IFRS Intelligence & IFRS in Practice

### Illustrative Financial Statements 2018

BDO has released on the Global website the Illustrative Financial Statements for the Year Ended 31 December 2018.

The 2018 version has incorporated a number of changes, including:

- Enhanced disclosure examples relating to IFRS 9, 15 and 16;
- Illustrative narrative for the purposes of complying with paragraph 30 of IAS 8 *Accounting Policies, Changes in Accounting Estimates* regarding the impact of standards issued but not yet effective, concentrating on the impact of IFRS 16 *Leases* and IFRIC 23, *Uncertainty Over Income Tax Positions*;
- Other miscellaneous improvements.

Please click [here](#) to access BDO's IFRS Illustrative Financial Statements for 31 December 2018 year ends.

BDO Greece  
449, Mesogeion Avenue  
153 43 Agia Paraskevi  
Athens, Greece

Tel: +30 211 10 32 000  
Tel: +30 210 82 53 078/9  
Fax: +30 210 82 52 133  
info@bdo.gr

[www.bdo.gr](http://www.bdo.gr)

BDO refers to one or more of the member firms of BDO International Limited, which form part of the international BDO network of independent member firms. Service provision within the international BDO network of independent member firms is coordinated by Brussels Worldwide Services BVBA, a limited liability company incorporated in Belgium with its statutory seat in Brussels (at Boulevard de la Woluwe 60, where the International Executive Office is located). Each of BDO International Limited, Brussels Worldwide Services BVBA and the member firms is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of BDO shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BVBA and/or the member firms.

BDO Certified Public Accountants, a Greek Société Anonyme, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.  
BDO is the brand name for the BDO network and for each of the BDO Member Firms.