

A silhouette of a person standing on a rock on a beach, celebrating with arms raised and sand falling around them. The background is a bright sunset over the ocean. Two vertical red bars are on the left side of the page.

IFRS Pulse

Απρίλιος - Ιούνιος 2022

IFR bulletins & IFRS News

BDO IFR & ISRB Bulletins

European Council and European Parliament reach provisional agreement on CSRD

The European Council and European Parliament announce that they have reached a provisional political agreement on the Corporate Sustainability Reporting Directive (CSRD), including the entities that will need to apply the new European sustainability reporting rules, and when.

Read BDO's summary of the provisional agreement [here](#).

BDO publishes IFRB 2022/03 - Hyperinflationary Economies Update - 30 April 2022

Over the first quarter of 2022, the list of hyperinflationary economies has continued to evolve rapidly due to deteriorating economic conditions and high inflation in several countries. BDO's IFR Bulletin summarises the countries expected to become hyperinflationary in 2022, as well as an updated 'watchlist'.

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

BDO publishes ISRB 2022/03 - EU Sustainability Reporting - Comparison of Draft CSRD to NFRD Requirements

The European Commission's proposed Corporate Sustainability Reporting Directive (CSRD) would significantly expand the scope of sustainability reporting in the EU. BDO's ISRB Bulletin summarises the key differences in the proposals as set out by different bodies of EU government, as well as differences in comparison to the current NFRD framework.

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

BDO published ISRB 2022/02 Q1 2022 Sustainability Reporting Update

The publication summarises the major sustainability reporting activities that have taken place in the

first quarter of 2022, focusing on the activities of the ISSB and the US and EU standard setters.

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

IASB & ISSB News

IASB publishes Project Report and Feedback Statement concluding the PIR of IFRS 10, IFRS 11 and IFRS 12

The IASB has published a Project Report and Feedback Statement concluding its post-implementation review (PIR) of the following accounting standards:

- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint Arrangements; and
- IFRS 12 Disclosure of Interests in Other Entities.

None of the matters arising from the PIR were assessed to be of high or medium priority.

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

IFRIC Final Agenda Decision on Principal versus Agent: Software Reseller (IFRS 15 Revenue from Contracts with Customers) published in an Addendum to April 2022 IFRIC Update

In accordance with the Due Process Handbook, the IASB discussed the agenda decision in its May 2022 meeting and did not object to the agenda decision. The final agenda decision is now published in an addendum to the April 2022 IFRIC Update.

The addendum to the April 2022 IFRIC Update may be accessed [here](#).

BDO has updated its IFRS FAQs for the above agenda decision. The updated FAQ may be accessed [here](#).

IFRIC finalises agenda decision - Demand deposits with restrictions on use arising from a contract with a third party

The agenda decision sets out the IFRIC's view about

whether an entity includes a demand deposit as a component of cash and cash equivalents in its statements of cash flows and financial position when the demand deposit is subject to contractual restrictions on use agreed with a third party.

The full agenda decision may be accessed as a [BDO IFRS FAQ](#).

ISSB outlines steps required to establish global outline of sustainability disclosures

The ISSB has published a summary of steps required to establish a comprehensive global baseline of sustainability disclosures.

The ISSB's target is to have completed by the end of 2022 the necessary institutional and technical standard-setting work to establish the core elements of the global baseline, subject to feedback received from its ongoing consultation. The summary notes that the implementation of the global baseline will then require action by others, including public authorities and market participants, to contribute towards the development of the global baseline and to require or encourage its widespread use.

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

ISSB forms working group to enhance compatibility between global baseline and jurisdictional initiatives

The ISSB has announced the formation of a working group represented by jurisdictions to establish dialogue to enhance the compatibility between the ISSB's exposure drafts and ongoing jurisdictional initiatives.

Several jurisdictions are developing their own sustainability reporting frameworks. The goal of the ISSB is to deliver a 'global baseline', which other jurisdictions may build on.

Members of the working group are the Chinese Ministry of Finance, the European Commission, the European Financial Reporting Advisory Group,



the Japanese Financial Services Authority, the Sustainability Standards Board of Japan Preparation Committee, the United Kingdom Financial Conduct Authority and the US Securities and Exchange Commission.

The press release may be accessed [here](#).

ISSB releases webinars on exposure drafts

The ISSB has released recordings of webinars that summarise the proposed standards on general sustainability-related disclosures and climate-related disclosures. These webinars provide an overview of the proposals and give participants an opportunity to ask questions. ISSB Vice-Chair Sue Lloyd was joined by technical staff for both sessions.

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

ISSB Publishes First Exposure Drafts on Climate and General Sustainability-related Financial Disclosures

The International Sustainability Standards Board (ISSB) has published its first two exposure drafts on IFRS Sustainability Disclosure Standards:

1. IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information; and
2. IFRS S2 Climate-related Disclosures.

The proposals have been developed in response to requests from G20 leaders, the International Organization of Securities Commissions (IOSCO) and others for enhanced information from companies on sustainability-related risks and opportunities. The proposals set out requirements for the disclosure of material information about a company's significant sustainability-related risks and opportunities that are necessary for investors to assess a company's enterprise value and are not limited only to climate-related matters. The deadline for comments on both proposals is 29 July 2022.

A summary of the proposals may be accessed [here](#).



EFRAG / EBA / ESMA / IVSC

EFRAG publishes the set of Basis for Conclusions of its ESRS Exposure Drafts

EFRAG has released the set of Basis for Conclusions to supplement the European Sustainability Reporting Standards (ESRS) Exposure Drafts (EDs) issued in April 2022. The Basis for Conclusions accompanies but are not a part of the EDs. It illustrates the objective and context of the draft standards, the process followed in the preparation of the EDs, the reasons to mandate a disclosure requirement, the references to other standard-setting initiatives or European or other relevant regulations and, where appropriate, the argument supporting the need for granular guidance, the disclosure requirements considered and finally not included in the EDs and how the content of the EDs relate to the future standard setting activity. Comments are requested on the EDs by 8 August 2022. No comments are requested on the Basis for Conclusions.

The Basis for Conclusions may be accessed [here](#).

EFRAG launches public consultation on Draft European Sustainability Reporting Standard (ESRS)

EFRAG has launched its publication consultation on ESRSs, which would be required to be adopted by many entities based on the Corporate Sustainability Reporting Directive (CSRD). The exposure drafts consist of 13 documents on general principles and disclosures, along with several topics ESRSs on climate change, biodiversity, own workforce, business conduct and a variety of other ESG topics. The exposure drafts are accompanied by a cover note, which contains numerous appendices containing EFRAG's commentary on the mapping of the ESRSs in comparison to other standards, such as the ISSB EDs and the TCFD recommendations. The exposure drafts are open for public comment until 8 August 2022.

The exposure drafts and accompanying documents may be accessed [here](#).

ESMA releases Statement on implications of war in Ukraine on half-yearly financial reports

While noting the significant challenges to business activities and effects on the global economic and financial system posed by the invasion, the Statement provides overarching messages to issuers and auditors including:

- A reminder of the main IFRS requirements which may be applicable in the context of Russia's invasion of Ukraine e.g., impairment of non-financial and financial assets, and loss of control;
- ESMA's expectations regarding disclosures in financial statements e.g., judgements made, significant uncertainties, and going concern risks;
- ESMA's expectations regarding disclosures in interim management reports e.g., direct and indirect impact of Russia's invasion of Ukraine and imposed sanctions on issuers' strategic orientation and targets, operations, financial performance, financial position and cash-flows, measures taken to mitigate the impacts and cybersecurity risks;

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

ESMA issues Statement on recommendations for disclosures of expected impacts of IFRS 17 implications

The Statement highlights the importance of issuers accompanying users of their financial statements, so that they understand the expected accounting implications of application of IFRS 17. The recommendations provided in the Statement cover

the disclosures of expected impacts of the initial application of IFRS 17 in the interim and annual financial statements for 2022.

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

ESMA publishes 2021 Corporate Reporting Enforcement and Regulatory Activities

The European Securities and Markets Authority (ESMA) has published a report on the activities of national enforcers in the European Economic Area relating to issuers in 2021.

The report includes extensive discussion of enforcers analysis of issuers' accounting and disclosures related to the effects of COVID-19, including the application of IAS 1, IAS 36, IFRS 9/IFRS 7 and IFRS 16. The report also includes information on issuers' use of alternative performance measures (APMs) and non-financial reporting issues.

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

IPSASB adds four projects to its 2022 work program

The International Public Sector Accounting Standards Board (IPSASB) has released its Mid-Period Work Program Consultation Summary that confirms the projects added to the IPSASB's work program, and explains the process followed to obtain stakeholder feedback on the Board's original proposals, as well as the reasons for the IPSASB's decisions.

Following projects are added to the IPSASB's work program where work will be undertaken during 2022:

- Presentation of Financial Statements;
- Differential Reporting;
- Reporting Sustainability Program Information (Limited-scope project); and
- Global Consultation on Advancing Public Sector Sustainability Reporting.

Following projects are added as pre-commitments for the IPSASB's future Work Program, where work will start as resources become available from 2023 onwards:

- IPSAS 21, Impairment of Non-Cash Generating Assets;
- IPSAS 31, Intangible Assets;
- IPSAS 33, First Time Adoption of Accrual Basis IPSASs; and
- Practice Statement: Making Materiality Judgements.

The Mid-Period Work Program Consultation Summary may be accessed [here](#).

BDO Publications & IFRS in Practice

IFRS in Practice

BDO releases Q1 illustrative interim financial statements as at 31 March 2022

BDO has released illustrative interim IFRS financial statements for the quarter ended 31 March 2022. This publication is a great resource for anyone who must prepare or review interim financial statements as they reflect amendments to IFRSs

and agenda decisions from the IFRS Interpretations Committee.

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

BDO publishes IFRS At a Glance - 31 December 2021

BDO has released an update to its IFRS At a Glance publication series.

IFRS At a Glance summarises all IFRS standards in a few pages and includes all IFRS standards and amendments issued up to 31 December 2021. The updated IFRS At a Glance also include a link to IFRS FAQs released by BDO. The FAQs cover IFRIC Agenda Decisions and other FAQs for respective standards.

The complete IFRS At a Glance publication and each individual IFRS At a Glance may be accessed [here](#).

BDO releases new IFRS resource - IFRS FAQs

BDO has released a new IFRS resource in the form of IFRS FAQs. IFRS FAQs provide insights on frequently asked questions on a variety of IFRS topics, incorporating BDO's expertise as well as IFRS Interpretations Committee agenda decisions. The FAQs are organised into topics and sub-topics to facilitate ease of navigation for users. The FAQs will be updated regularly on an ongoing basis as BDO publishes new guidance and as the IFRS Interpretations Committee issues new agenda decisions.

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



BDO Online Courses

BDO releases Online Training course on Sustainability Reporting; TCFD Explained - Overview and Examples in Practice

The recently released ISSB exposure drafts are based on the recommendations of the TCFD, therefore, understanding how the TCFD recommendations apply in practice is more important than ever. BDO has published an online course, which explains the recommendations of the TCFD as well as provides real-world examples of the TCFD recommendations being applied in practice by companies.

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

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





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