



IFRS Pulse

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IFR Bulletins & IFRS News

BDO IFR Bulletins

BDO Published IFR Bulletin 2019/03 on ESMA's Public Statement Concerning the Recognition of Deferred Tax Assets

BDO has published an IFR Bulletin ('IFRB') on ESMA's recent public statement concerning the recognition of deferred tax assets arising from the carry-forward of unused tax losses. The IFRB summarises ESMA's expectations concerning how entities should analyse the applicable criteria in IAS 12 to justify whether a deferred tax asset should be recognised (e.g. the probability requirement and what constitutes 'convincing other evidence').

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

- Presenting Comparative Amounts when a Foreign Operation first becomes Hyperinflationary (IAS 21 and IAS 29)

Final Agenda Decisions

- Compensation for Delays or Cancellations (IFRS 15)
- Lessee's Incremental Borrowing Rate (IFRS 16)
- Fair Value Hedge of Foreign Currency Risk on Non-Financial Assets (IFRS 9)
- Presentation of Liabilities or Assets Related to Uncertain Tax Treatments (IAS 1)
- Disclosure of Changes in Liabilities Arising from Financing Activities (IAS 7)
- Subsequent Expenditure on Biological Assets (IAS 41)

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

IASB Provides Project Update on Goodwill and Impairment

Tom Scott, a board member of the IASB, has published a project update on the IASB's work on goodwill and impairment. The project is reviewing the current accounting for goodwill (e.g. recognise and test for impairment) versus other potential alternatives (e.g. amortise goodwill). Mr. Scott provides some of his views, as well as an update on the Board's research to date, along with next steps in the project.

The project update can be accessed [here](#).

IASB News

IASB Publishes September IFRIC Update

The IASB has published its September IFRIC update, which summarises the activities of the IFRIC at its recent September meeting. The update notes the following items:

Tentative Agenda Decisions

- Training Costs to Fulfil a Contract (IFRS 15)
- Definition of a Lease - Shipping Contract (IFRS 16)
- Translating a Hyperinflationary Foreign Operation - Presenting Exchange Differences (IAS 21 and IAS 29)
- Cumulative Exchange Differences before a Foreign Operation becomes Hyperinflationary (IAS 21 and IAS 29)

ESMA

IASB Proposes Amendments to IAS 1 and IFRS Practice Statement 2 on Accounting Policy Disclosures

The IASB has issued an exposure draft ('ED') to amend IAS 1, Presentation of Financial Statements and IFRS Practice Statement 2, Making Materiality Judgments. These amendments modify the guidance on the disclosure of accounting policies in a number of ways, including a change in the terminology surrounding which policies should be disclosed (e.g. replacing 'significant' accounting policies with 'material' accounting policies). The amendment also proposed to provide more guidance on what constitutes a 'material' accounting policy.

The exposure draft and related documents can be accessed [here](#).

IASB Proposes Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The IASB has published an exposure draft for public comment relating to amendments to IAS 12, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The exposure draft amends IAS 12 to clarify whether the initial recognition exemption applies to situations where an asset and a liability are recognised simultaneously in a single transaction, which may occur under IFRS 16, Leases or due to decommissioning obligations in the scope of IAS 37.

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

ESMA Sets out Expectations Regarding Application of IAS 12 and the Recognition of Deferred Tax Assets

The European Securities and Market Authority ('ESMA') has published a public statement on its expectations regarding the application of the requirements relating to the recognition, measurement and disclosure of deferred tax assets arising from unused tax losses in IFRS financial statements. The public statement arises from findings and discussions of the European Enforcers Coordination Sessions ('EECS'), where several cases highlighted significant divergence in the application and enforcement of the requirements relating to recognition of deferred tax assets.

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

IPSASB

IPSAS-IFRS Dashboard and Comparison Document

The International Public Sector Accounting Standards Board (IPSASB) has issued a document that compares the current state of International Public Sector Standards (IPSAS) with IFRS. The document provides a summary of the primary differences between the two standards, along with an update on the current plan of IPSASB on certain projects (e.g. the plan to issue an updated IPSAS standard on lease accounting).

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

IFRS Intelligence & IFRS in Practice

IFRS in Practice

BDO Publication - Interim Illustrative Financial Statements and guide to IAS 34

As with the previous version, the publication is split into two parts.

- The first part provides technical guidance for the preparation of interim financial statements.
- The second part includes an illustrative example of a condensed set of interim financial statements and accompanying notes.

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 website.

BDO Responses

BDO Submits Comment Letter on IASB Exposure Draft 2019/4 Amendments to IFRS 17

On 25 September 2019, BDO submitted its comment letter to the IASB on its exposure draft 2019/4 Amendments to IFRS 17. BDO is supportive of the amendments proposed by the IASB, with some comments on specific aspects of the exposure draft.

BDO Submits Response to Exposure Draft on 2018-2020 Annual Improvements

BDO has submitted its response to the IASB's exposure draft that proposes amendments to several IFRS standards as part of the IASB's annual improvement cycle. BDO supports most of the changes proposed, however, expressed concern about the wording of the proposed amendment to IFRS 1.

BDO Submits Response to Two June 2019 IFRIC Tentative Agenda Decisions

BDO has submitted its response to two IFRIC tentative agenda decisions from IFRIC's June 2019 meeting. They are on the following subjects:

- Lessee's incremental rate of borrowing (IFRS 16)
- Lease Term and Useful Life of Leasehold Improvements (IFRS 16 and IAS 16)

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

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