



Accounting Roundup

April 2020

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COVID-19

Global responses to COVID-19 continue to evolve rapidly. COVID-19 has already had a significant impact on global financial markets, and it may have accounting implications for many entities.

As the pandemic increases in both magnitude and duration, entities are experiencing conditions often associated with a general economic downturn. This includes, but is not limited to, financial market volatility and erosion, deteriorating credit, liquidity concerns, further increases in government intervention, increasing unemployment, broad declines in consumer discretionary spending, increasing inventory levels, reductions in production because of decreased demand, layoffs and furloughs, and other restructuring activities. The continuation of these circumstances could result in an even broader economic downturn which could have a prolonged negative impact on an entity's financial results.

COVID-19 (continued)

Below we list some news items and resources in connection with COVID-19 developments that highlight some of the key accounting and disclosure issues to be considered by entities that may arise as a result of COVID-19.

COVID-19 news

The Financial Reporting Council (FRC)

[The FRC issues Q&A on company filing, AGMs and other general meetings during COVID-19](#)

[The FRC, Financial Conduct Authority \(FCA\) and Prudential Regulation Authority \(PRA\) issue COVID-19 guidance for companies and auditors](#)

[The FRC issues guidance for auditors arising from COVID-19](#)

The International Accounting Standards Board (IASB)

[The IASB holds meeting dedicated to COVID-19 issues](#)

[The IASB publishes COVID-19 guidance on IFRS 16 and will discuss COVID-19 implications at its next meeting](#)

[The IASB updates its work plan in view of COVID-19 developments](#)

[The IASB publishes a statement on IFRS 9 and COVID-19](#)

Other organisations

[Companies House issues advice on filing deadlines in light of COVID-19](#)

[The Institute of Chartered Accountants in England and Wales \(ICAEW\) publishes a guide on the financial reporting impacts of COVID-19](#)

[The ICAEW publishes guide to IFRS 9 and COVID-19](#)

[Accountancy Europe publishes an article on the implications of COVID-19 on reporting and auditing](#)

[The International Organization of Securities Commissions \(IOSCO\) publishes a statement on the application of accounting standards during COVID-19](#)

[The European Securities and Markets Authority \(ESMA\) issues a statement on the accounting implications of the COVID-19 economic support and relief measures](#)

[ESMA expands Q&A document on the implementation of its APM guidance](#)

[The Charities SORP Committee publishes guidance on COVID-19](#)

[The International Public Sector Accounting Standards Board \(IPSASB\) publishes COVID-19 guidance](#)

[The IFRS Foundation issues a statement on its work during COVID-19](#)

[The European Financial Reporting Advisory Group \(EFRAG\) requests the IASB extend consultation period of recent or soon-to-be issued publications](#)

[The International Valuation Standards Council \(IVSC\) issues a statement on valuation during periods of market uncertainty](#)

COVID-19 publications

[Accounting considerations related to COVID-19](#)

[Expected credit loss accounting considerations related to COVID-19](#)

[Accounting considerations related to COVID-19 — Judgements and estimates](#)

[Accounting considerations related to COVID-19 — Events after the reporting period](#)



Other recent developments

IFRS

Amendments:

[The IASB finalises amendments to IAS 1 to clarify the classification of liabilities](#)

EU endorsement:

[The European Union formally adopts *Definition of a Business* \(Amendments to IFRS 3\)](#)

[The European Union formally adopts *Interest Rate Benchmark Reform \(IBOR\)* \(Amendments to IFRS 9, IAS 39 and IFRS 7\)](#)

Other recent developments (continued)

Exposure drafts and discussion papers published:

[The IASB publishes proposed amendment regarding COVID-19-related rent concessions](#)

[The IASB publishes proposed amendments as a result of the second phase of its project on the IBOR reform](#)

[The IASB publishes a discussion paper on goodwill and impairment](#)

Click [here](#) for the latest IASB work plan.

Meeting minutes and further information:

[January](#), [February](#) and [March](#) IASB meetings

[January](#) and [March](#) IFRSIC meetings

Corporate Governance

[The FRC calls for better governance reporting as companies adopt the 2018 UK Corporate Governance Code](#)

[The Investment Association issues publication setting out shareholder priorities for 2020](#)

Other

EFFRAG

[EFFRAG publishes a pre-consultation document on the IBOR ED](#)

[EFFRAG sends a letter to the IASB on IFRS 17 amendments](#)

[EFFRAG updates case studies on IFRS 17](#)

[EFFRAG to conduct field-testing on IASB's project on primary financial statements](#)

[EFFRAG publishes a draft comment letter on the proposed new standard on general presentation and disclosures](#)

[EFFRAG publishes a draft comment letter on the IASB Exposure Draft ED/2020/1 *Interest Rate Benchmark Reform — Phase 2* \(Proposed amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16\)](#)

[EFFRAG issues an academic report on intangibles](#)

[EFFRAG publishes its final advice on the measurement of long-term investments in equity instruments](#)

[EFFRAG publishes a feedback statement on the IASB Exposure Draft ED/2019/6 *Disclosure of Accounting Policies*](#)

ESMA

[ESMA publishes its 24th enforcement decisions report](#)

[ESMA publishes a report on the activities of accounting enforcers and their findings within the EU in 2019](#)

FRC

[The FRC publishes its plan and budget for 2020/21](#)

[The FRC is to review how companies and auditors assess and report on the impact of climate change](#)

[The FRC and the Department for Business, Energy and Industrial Strategy \(BEIS\) publish revised Brexit accounting and audit letters](#)

[The FRC Lab report shows a need for improved workforce reporting](#)

IASB

[The IASB publishes updated work plan — Analysis](#)

[The IASB issues a podcast on latest Board developments \(March 2020\)](#)

[The IASB releases a podcast discussing the Board's decisions relating to the amendments to IFRS 17 *Insurance Contracts*](#)

[The IASB votes on the effective date for IFRS 17](#)

[The IASB posts a webinar on exposure draft on general presentation and disclosures](#)

[The IASB publishes an overview of consultation documents to be expected in 2020](#)

IFRS Foundation

[The IFRS Foundation publishes its second compilation of IFRS Interpretations Committee agenda decisions](#)

[The IFRS Foundation issues its 2020 IFRS XBRL taxonomy](#)

Other recent developments (continued)

Sustainability and integrated reporting

[Accountancy Europe publishes research into the local implementation of the EU Directive on disclosure of non-financial and diversity information](#)

[Accounting for Sustainability \(A4S\) members launch a call to action in response to climate change](#)

[Alliance for Corporate Transparency launches a research report on sustainability reporting](#)

[The European Commission \(EC\) launches consultation on renewed sustainable finance strategy](#)

[EC launches an initiative to update the NFRD](#)

[The European Reporting Lab issues report on climate-related disclosures](#)

[The FCA issues a consultation paper proposing improvements to climate-related disclosures for listed companies](#)

[Global accountancy bodies call for improved SDG disclosures](#)

[The International Business Council \(IBC\) discusses Big4 report on reporting sustainability information at the World Economic Forum \(WEF\)](#)

[The Chartered Governance Institute and the International Integrated Reporting Council \(IIRC\) release a guide to integrated reporting](#)

[The IIRC calls for feedback in the context of the planned revision of its Framework](#)

[The IIRC publishes a report on 'Integrated Thinking & Strategy: State of play'](#)

[The IOSCO publishes a report on 'Sustainable Finance and the Role of Securities Regulators and IOSCO'](#)

Industry sectors

[HM Treasury publishes results of the post implementation review of IFRS 9 and IFRS 15 for central government](#)

[The International Federation of Accountants \(IFAC\) and the Association of Chartered Certified Accountants \(ACCA\) issue a report on the implementation of accrual accounting in the public sector](#)

[The International Public Sector Accounting Standards Board \(IPSASB\) releases an updated IPSAS-IFRS alignment dashboard](#)

[IPSASB publishes three exposure drafts: ED 70 'Revenue with Performance Obligations', ED 71 'Revenue without Performance Obligations', and ED 72 'Transfer Expenses'](#)

[IPSASB completes its set of guidance on accounting for government programmes](#)

[IPSASB publishes 'Improvements to IPSAS 2019'](#)

[The Global Public Policy Committee \(GPPC\) issues implementation considerations for IFRS 17](#)

[The Pensions Climate Risk Industry Group \(PCRIG\) issues a consultation setting out non-statutory guidance for trustees on aligning their pension scheme reporting to the Taskforce on Climate-Related Financial Disclosures \(TCFD\) recommendations](#)



Other tools and resources

Deloitte publications, interviews and recordings

Need to know

Designed for financial controllers, chief accountants, and accounting technicians:

[The IASB publishes Discussion Paper on Business Combinations — Disclosures, Goodwill and Impairment](#)

[The IASB amends IAS 1 to clarify the classification of liabilities as current or non-current](#)

[The FRC issues Amendments to FRS 102 - Interest Rate Benchmark Reform](#)

[The IASB proposes new Standard titled 'General Presentation and Disclosures'](#)

Governance in brief

A summary of the latest corporate governance developments:

[New audit independence rules: the Revised Ethical Standard 2019](#)

[Institute of Internal Auditors raises the bar on internal audit](#)



Insurance webcasts

[Insurance webcast 80 — New effective date of IFRS 17: 1 January 2023](#)

[Insurance webcast 79 — Annual cohort requirement remains unchanged with no exemption provided](#)

[Insurance webcast 78 — Interim reporting eased under IFRS 17 but M&A accounting remains a puzzle](#)

[Insurance webcast 77 — The IASB approves to finalise the first round of amendments to IFRS 17](#)

Other tools and resources (continued)



Deloitte comment letters

IFRS

[Tentative agenda decision on IAS 38 — Presentation of player transfer payments](#)

[Tentative agenda decision on IAS 12 — Multiple tax consequences of recovering an asset](#)

Other

[Climate Disclosure Standards Board consultation on advancing nature-related financial disclosures](#)

[IIRC's 'focused engagement' exercise on the planned revision of the International <IR> Framework](#)

[Accountancy Europe's paper on interconnected standard-setting](#)

Further comment letters, including responses to IFRSIC tentative agenda decisions, can be found by clicking [here](#).



New and revised pronouncements for 31 March 2020 year-ends

The table below provides a summary of pronouncements that will be newly effective for those with 31 March 2020 year-ends.

IFRS

Pronouncement	Newly effective for those reporting under IFRS Standards as issued by the IASB	Newly effective for those reporting under IFRS Standards as endorsed by the EU
Standards		
IFRS 16 <i>Leases</i>	Yes	Yes
Interpretations		
IFRIC 23 <i>Uncertainty over income tax treatments</i>	Yes	Yes
Amendments		
<i>Annual Improvements 2015-2017 Cycle</i>	Yes	Yes
<i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)</i>	Optional #	Optional #
<i>Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)</i>	Yes	Yes
<i>Prepayment Features with Negative Compensation (Amendments to IFRS 9)</i>	Yes	Yes
<i>Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)</i>	Yes	Yes

The application of both approaches (overlay approach/ deferral approach) is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

For those standards issued but not yet effective, the latest EU endorsement status can be found [here](#).

UK GAAP

The FRC made several changes to FRS 102 as part of its first triennial review of the Standard to deal with issues highlighted in its implementation. The amendments were published in [December 2017](#) and took effect for the first time for periods beginning on or after 1 January 2019. More recently, amendments to FRS 102 related to [multi-employer defined benefit plans](#) and [interest rate benchmark reform](#) have been issued.

Click [here](#) to see the UK GAAP options available for financial reporting periods ending on or after 31 March 2020.

Other tools and resources (continued)

Other regulatory requirements

- Compliance with *The Companies (Miscellaneous Reporting) Regulations 2018* including s172 reporting, the requirement for very large private companies and unlisted public companies to disclose their corporate governance arrangements within their directors' report and changes to the directors' remuneration report for quoted and UK registered companies with more than 250 employees. For more information click [here](#).
- Compliance with *The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018*. The Regulations, effective for financial periods beginning on or after 1 April 2019, broaden the greenhouse gas reporting and energy efficiency disclosure requirements for quoted companies and extend the reporting requirement to large UK incorporated unquoted companies and LLPs with at least 250 employees or annual turnover greater than £36m and balance sheet total (gross assets) greater than £18m. For more information click [here](#).
- FRC Revised Guidance on the Strategic Report. Further information is available [here](#).
- *The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019* came into force on 10 June 2019. Although the changes to remuneration reporting only take effect for periods beginning on or after this date, changes to the requirements on the remuneration policy will apply in respect of any new policy brought to shareholders for approval on or after 10th June 2019. Further information is available [here](#).
- Compliance with the 2018 UK Corporate Governance Code for companies with a premium listing. Further information is available [here](#).



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