



IFRS on Point

Financial Reporting Developments and Information: December 2017

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IASB concludes the 2015-2017 annual improvements cycle

The IASB has issued 'Annual Improvements to IFRS Standards 2015–2017 Cycle'. The pronouncement contains amendments to

- IFRS 3 *Business Combinations*, clarifying that a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11 *Joint Arrangements*, clarifying that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 *Income Taxes*, clarifying that a company accounts for all income tax consequences of dividend payments in the same way.
- IAS 23 *Borrowing Costs*, clarifying that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Please click to access the **IASB press release** on the IASB website.

December 2017 IASB Board meeting

The IASB Board met on 13 and 14 December 2017. The following topics were on the agenda.

- Primary financial statements
- Disclosure initiative: Principles of disclosure
- Goodwill and impairment
- Rate-regulated activities
- Dynamic risk management
- Implementation issues in IFRS
- Business combinations under common control

For more information please see
the following websites:

www.iasplus.com

www.deloitte.com

Please click to access the following documents.

- The **IASB Update** on the IASB website
- Agenda and **related agenda papers** on the IASB website
- Updated **work plan** on the IASB website
- **Podcast** on the deliberations of the Board meeting on the IASB website
- **Comprehensive notes** taken by Deloitte observers on the IASPlus website

IASB posts webcast on IFRS 17

As part of a series of webcasts to support the implementation of IFRS 17 *Insurance contracts*, the IASB has posted a webcast on the transition requirements faced when applying IFRS 17 for the first time.

Please click to access webcast (in two parts) on the IASB website.

- **Overview**
- **Deep dive**

IASB member discusses implementation of IFRS 17

The IASB has published an article by Board member Martin Edelmann to provide an overview of tools available to those implementing IFRS 17 *Insurance Contracts*.

Please click to access the **article** on the IASB website.

October 2017 CMAC meeting

The Capital Markets Advisory Committee (CMAC) of the IASB met on 20 October 2017. The following topics were discussed.

- Discussion Paper Disclosure Initiative—Principles of Disclosure
- Primary Financial Statements—project update
- Primary Financial Statements—financial institutions
- Post-implementation Review of IFRS 13 *Fair Value Measurement*
- Perceptions of the IFRS Foundation—reputation research findings and potential actions

Please click to access the **meeting page** and the **meeting summary** on the IASB website.

SMEIG issues guidance on IFRS for SMEs Standard

The SME Implementation Group (SMEIG) has issued Q&A guidance on financial guarantee contracts. The guidance aims to support entities during the implementation of the IFRS for SMEs Standard.

Please click to access the **press release** and **Q&A** on the IASB website.

Preparer's guide to the IFRS Taxonomy

The IFRS Foundation has released 'Using the IFRS Taxonomy—A preparer's guide' to help companies understand the IFRS Taxonomy content.

Please click to access the **guide** on the IASB website.

IFRS Foundation appointments

The IFRS Foundation has announced the appointment of seven new Trustees. The current Chair of the Trustees Michel Prada will continue in his post until a successor is in place, with Sheila Fraser and Takafumi Sato as vice-chairs.

Please click to access the **press release** on the IASB website.

Video recording of panel discussion with Chairs of IASB, FASB, and AcSB

The Canadian Accounting Standards Board (AcSB) has made available a video recording of a panel discussion at the November 2017 IFRS Conference: Americas, featuring Linda Mezon, Chair of Canada's Accounting Standards Board, Hans Hoogervorst, IASB Chairman, and Russell Golden, Chairman, U.S. Financial Accounting Standards Board. Topics discussed included the global financial reporting landscape, how the world has changed in recent years, the future for US GAAP/IFRS convergence, and how financial accounting fits with a broader reporting framework.

Please click to access the **video recording** on the AcSB website.

IASB Vice-Chair discusses impact of new IFRS Standards and enhancing the communication of financial information

At the 2017 AICPA Conference on Current SEC and PCAOB Developments in Washington, D.C., IASB Vice-Chair Sue Lloyd gave a speech on IASB's developments in the standard-setting process as well as its upcoming focus on improving communication effectiveness in financial statements and wider corporate reporting.

Please click to access the **transcript** of the speech on the IASB website.

IFAC Call for Nominations

The International Federation of Accountants (IFAC) has issued a "Call for Nominations", looking for individuals to join the International Auditing and Assurance Standards Board (IAASB), International Accounting Education Standards Board (IAESB), International Ethics Standards Board for Accountants (IESBA), and International Public Sector Accounting Standards Board (IPSASB). Nominations are requested by 15 February 2018.

Please click to access the **press release** and the **call for nominations** on the IFAC website.

Report from EFRAG's fair value conference

On 5 December 2017, the European Financial Reporting Advisory Group (EFRAG) hosted a half-day event on the use of fair value in financial reporting.

Please click to access the speaker presentations on the EFRAG website.

Please click to access the **short report** on the speeches and presentations of the conference on the IASPlus website.

EFRAG TEG appointments and reappointments

The Board of the European Financial Reporting Advisory Group (EFRAG) has announced the appointment of Emmanuelle Guyomard and Jed Wrigley to its Technical Experts Group (TEG). EFRAG further announced the reappointment of Nicklas Grip as EFRAG TEG Vice-Chairman and of Ana Cortez, Guenther Gebhardt, Heinz Hense, Soren Kok Olsen, and Andrew Spooner. The EFRAG TEG composition becomes effective on 1 April 2018.

Please click to access the **press release** on the EFRAG website.

ESMA publishes guidance setting out the new European Single Electronic Format

One of the requirements of the amended European Transparency Directive is that issuers listed on regulated markets in the EU must prepare their annual financial reports in a European Single Electronic Format (ESEF) from 1 January 2020. The European Securities and Markets Authority (ESMA) has now published the final regulatory technical standards (RTS) on the ESEF together with some other helpful guidance.

Please click to access the following documents on the ESMA website:

- **Press Release**
- The publication of the RTS is accompanied by the launch of the **ESEF webpage**
- **Final report on the RTS on the European Single Electronic Format**
- **ESEF Reporting Manual**
- **Briefing note — Preparing for 2020: ESEF field tests and reporting manual**

Follow-up survey on the PIE definitions applicable across European countries

Accountancy Europe has conducted a second survey on the definitions of Public Interest Entities (PIEs) applicable across European countries. The definitions have significant impact on the accounting and audit requirements for companies active in the European market.

Please click to access the **survey** on the Accountancy Europe website.

FRC Lab calls for collective action to promote digital corporate reporting

A new report from the Financial Reporting Council's Financial Reporting Lab (the Lab) concludes that XBRL (eXtensible Business Reporting Language) is an important technology in the path to digitisation of company reporting. However, since the potential benefits of XBRL for listed company reporting are not guaranteed, the Lab urges regulators, companies, investors and technology providers to work together to realise fully the potential of XBRL and to respond to the challenge of a new European Single Electronic Format (ESEF) for digital corporate reporting due in 2020.

Please click to access the **press release** and the **report** on the FRC website.

ANC Research Forum

The Autorité des Normes Comptables (ANC), the French standard setter, hosted its 7th Symposium on Accounting Research on 11 December 2017. The theme of the symposium was Accounting and Digitisation.

Please click to access the **program** and the papers presented on the ANC website.

Meeting of the accounting standard-setters from China, Japan and Korea

A meeting of the China Accounting Standard Committee (CASC), the Accounting Standards Board of Japan (ASBJ), the Korea Accounting Standards Board (KASB) was held on 27 November 2017. Mr. Chung Woo Suh and Mr. Jianqiao Lu, Board members from the IASB also attended the meeting. The delegates from Japan, Korea and China provided updates on the recent applications of IFRS and the developments of the local accounting standards in their respective jurisdictions, and had in-depth discussions regarding the IASB's major projects.

Please click to access the **full communiqué** on the ASBJ website.

AAOIFI announcements on availability of Sharia'a standards and on the release of a new exposure draft on risk reserves

The Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) announces that the Arabic and English online versions of AAOIFI's Sharia'a Standards are now freely available on the AAOIFI website.

Please click to access for **more information and access to the standards** on the AAOIFI website.

In addition, the AAOIFI has published an exposure draft of a Financial Accounting Standard "Risk Reserves" and invites opinion from the Islamic finance industry by 15 January 2018.

Please click to access the press release announcing the issuance of the exposure draft and the related **exposure draft** on the AAOIFI website.

Recent sustainability and integrated reporting developments

- The World Business Council for Sustainable Development (WBCSD) released the CEO Guide to climate-related financial disclosures. The new guide, written in partnership with the CEOs of 25 WBCSD member-companies, sets out clear actions that CEOs can take to align their organisations with the recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD).

Please click to access the **guide** on the WBCSD website.

- The Global Reporting Initiative (GRI) has published a short series of articles that looks back at GRI's efforts in 2017 and at what 2018 has in store. Please click to access the articles on the GRI website.

– **2017 in Review: the GRI Sustainability Standards One Year on**

– **2017 in Review: Making the SDGs a Reality through Sustainability Reporting**

– **2017 in Review: Tools for Non-financial Reporting**

– **2017 in Review: Sustainability Reporting to Fight Climate Change**

– **2017 in Review: A Poignant Year for GRI**

- The Climate Disclosure Standards Board (CDSB) is working with the TCFD to develop a knowledge hub to better support companies interested in implementing the TCFD recommendations. The Hub will go live in the first quarter of 2018 and will be available via **www.tcfdhub.org**.

Please click to access the **press release** on the CDSB website.

- The Integrated Reporting Committee (IRC) of South Africa has developed an Information Paper to assist organisations in the disclosure of information that shows how governance supports the organisation's value creation process.

Please click to access the **Information Paper** on the IRC website.

- The New Zealand Stock Exchange (NZX) has published a guidance note for issuers on environmental, social and governance (ESG) reporting, designed to accompany the updated New Zealand Corporate Governance Code which includes voluntary reporting on ESG information.

Please click to access the **guidance note** on the NZX website.

- On 21 November 2017, the European Parliament's Committee on Legal Affairs organised a public hearing on corporate social responsibility with the aim of following up on the most recent developments in the field.

Please click to access the full programme, webstreaming and presentations on the European Parliament website.

- The International Integrated Reporting Council (IIRC) has published a report *Creating Value: Benefits to Investors* highlighting how the integrated reporting framework can help meet investors' demands for better information.

Please click to access the **report** on the IIRC website.

- Business leaders in the US have formed an integrated reporting working group under the auspices of the IIRC in a bid to make integrated reporting mainstream. The group has launched a website and will hold monthly webinars to inform stakeholders of latest developments and to build understanding.

Please click to access the US <IR> Website.

- The Finance for the Future Awards 2017 have been awarded. The Finance for the Future Awards was founded by ICAEW and The Prince of Wales's Accounting for Sustainability Project (A4S), in partnership with Deloitte. The awards highlight good business practices by recognising the roles which the finance function and the wider finance community play in helping to build resilient organisations through embedding environmental and social issues into their decision making and business models.

Please click for the **list of winners** on the Finance for the Future website.

- The Climate Disclosure Standards Board (CDSB) has published an infographic showing the users of the CDSB framework (374 companies in 32 countries across 10 sectors).

Please click to access the **infographic** on the CDSB website.

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Deloitte IFRS communications and publications

Issuance Date	Description
6 December 2017	A Closer Look — Impact of transition from IAS 39 to IFRS 9 on the exchange of modification of financial liabilities
20 December 2017	IFRS in Focus — Closing out 2017

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Comment letters

Description	Receiving party	Date issued/ Comment deadline
Comment letter issued	IASB	2 December 2017
Comment letter pending	IASB	15 January 2018

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Effective dates

Click [here](#) for upcoming and recent effective dates.

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