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# Update from the IASB

FAR Symposium on  
IFRS Accounting Standards  
Stockholm  
September 2024

Patrina Buchanan, IASB member

# Speaker



**Patrina Buchanan**  
IASB Member

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# Agenda

Introduction

4-9

New Accounting Standards

10-13

Projects—currently and recently out for comment

14-20

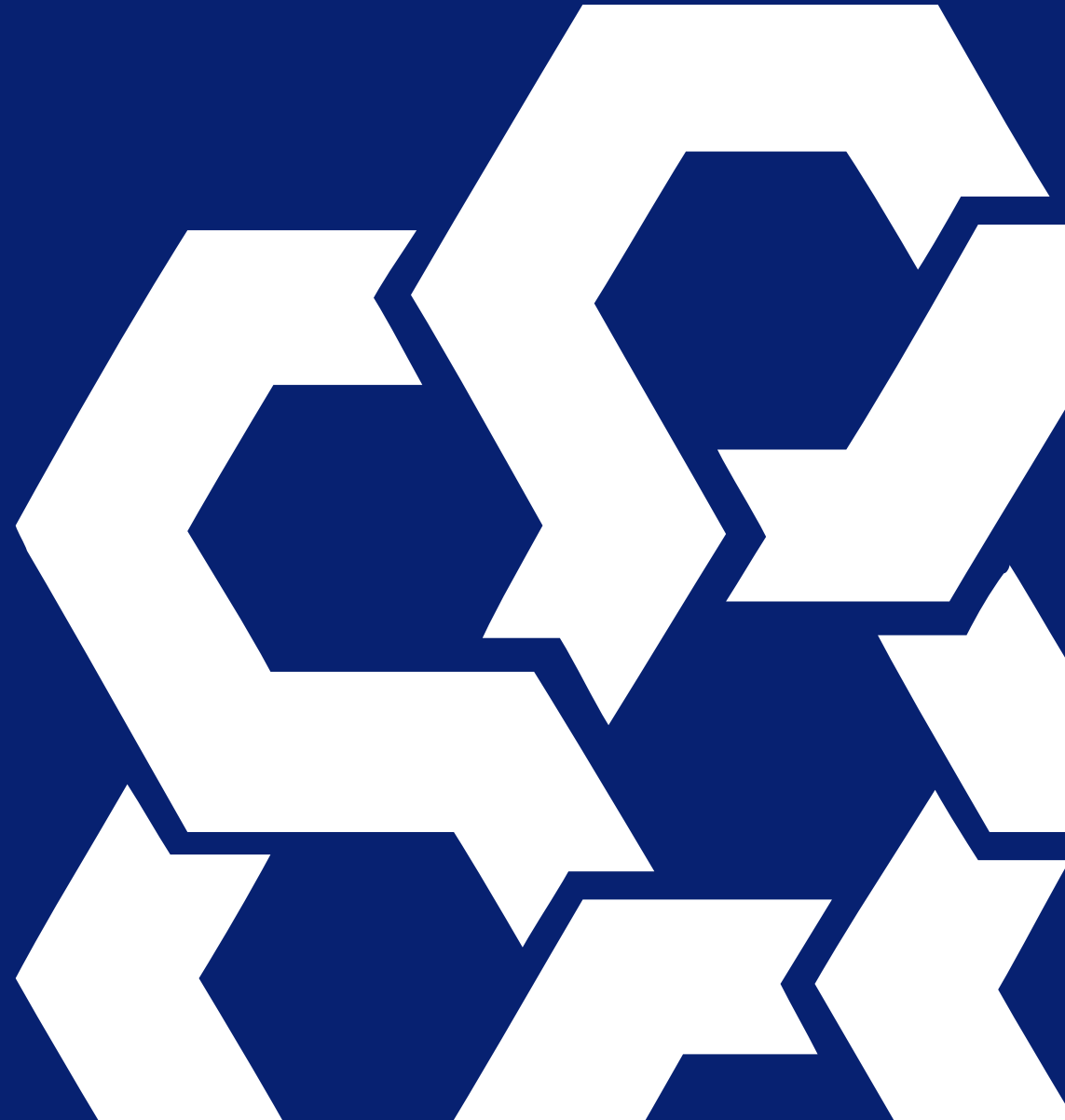
New projects

21-23





Questions

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# Introduction



## IASB work plan in a nutshell

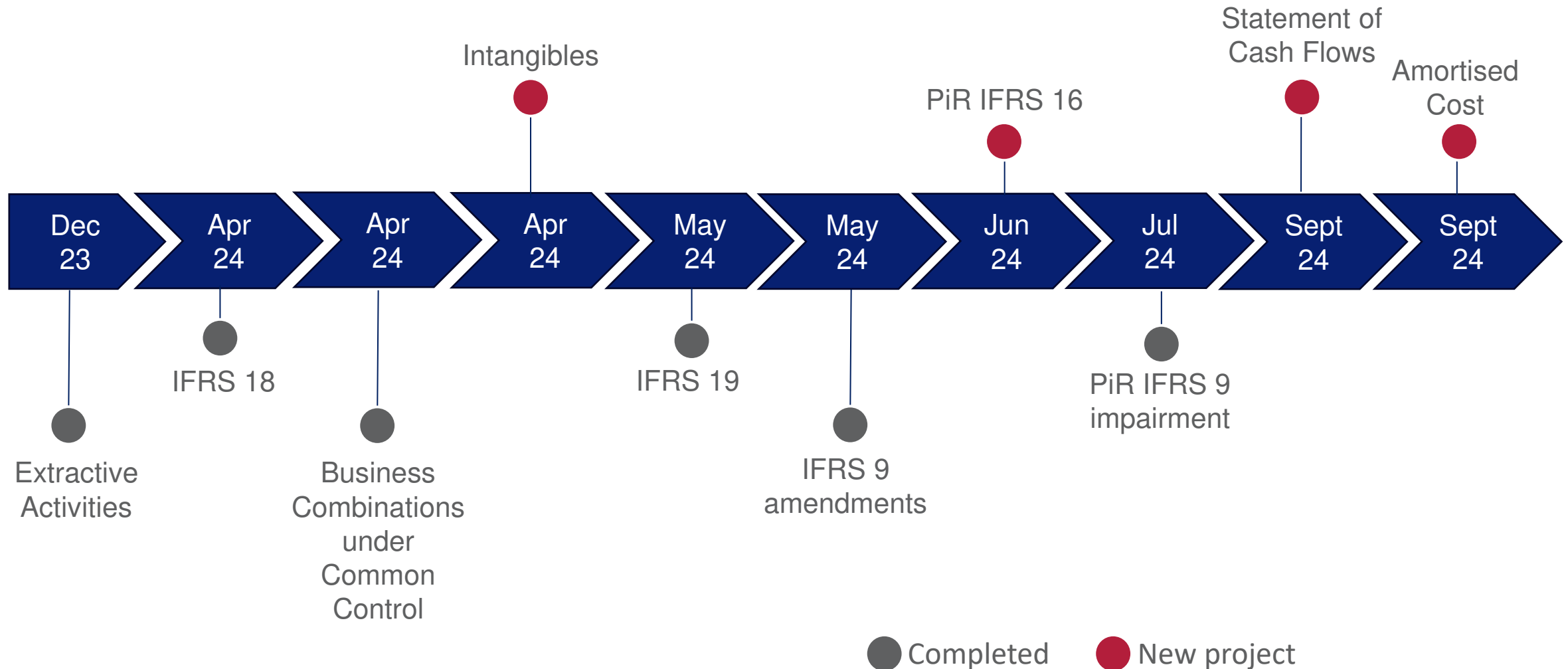
Type of project		as of 01/09/2024
Research projects		1
Standard-setting projects		7
Maintenance projects		6
Post-implementation reviews		2
<b>Total</b>		<b>16</b>

<b>Starting soon...</b>		
Research projects		2

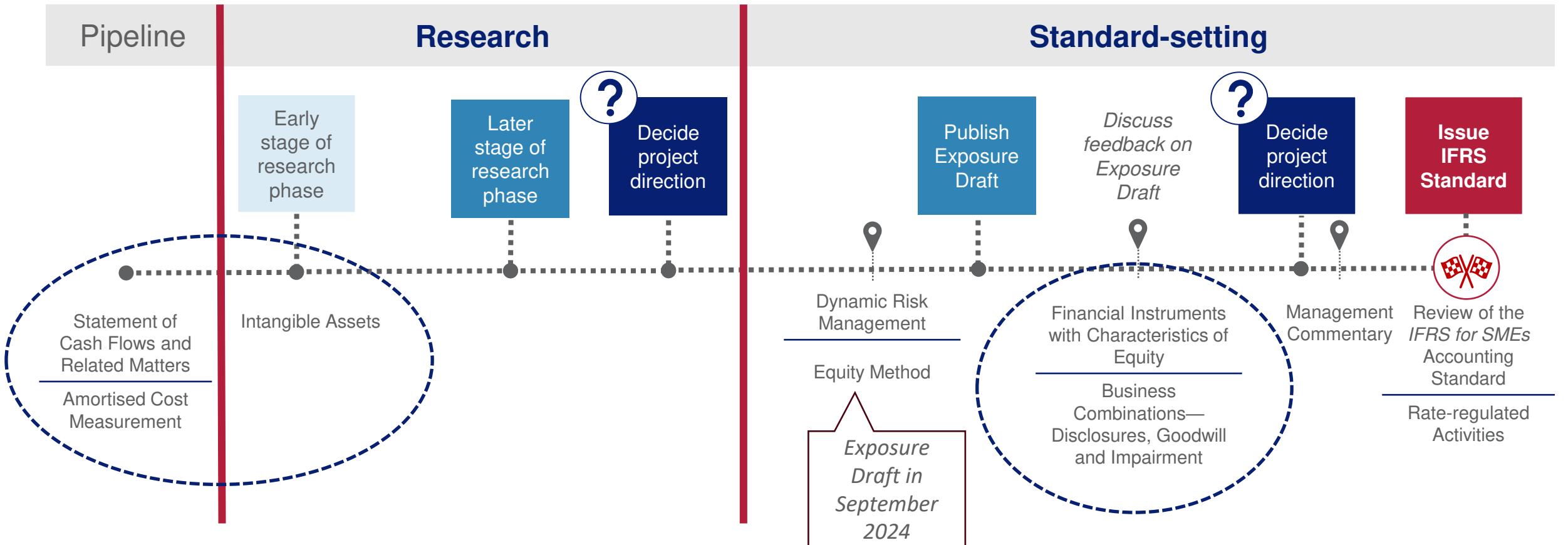
## The **progress** being made **with your help**



# Progress

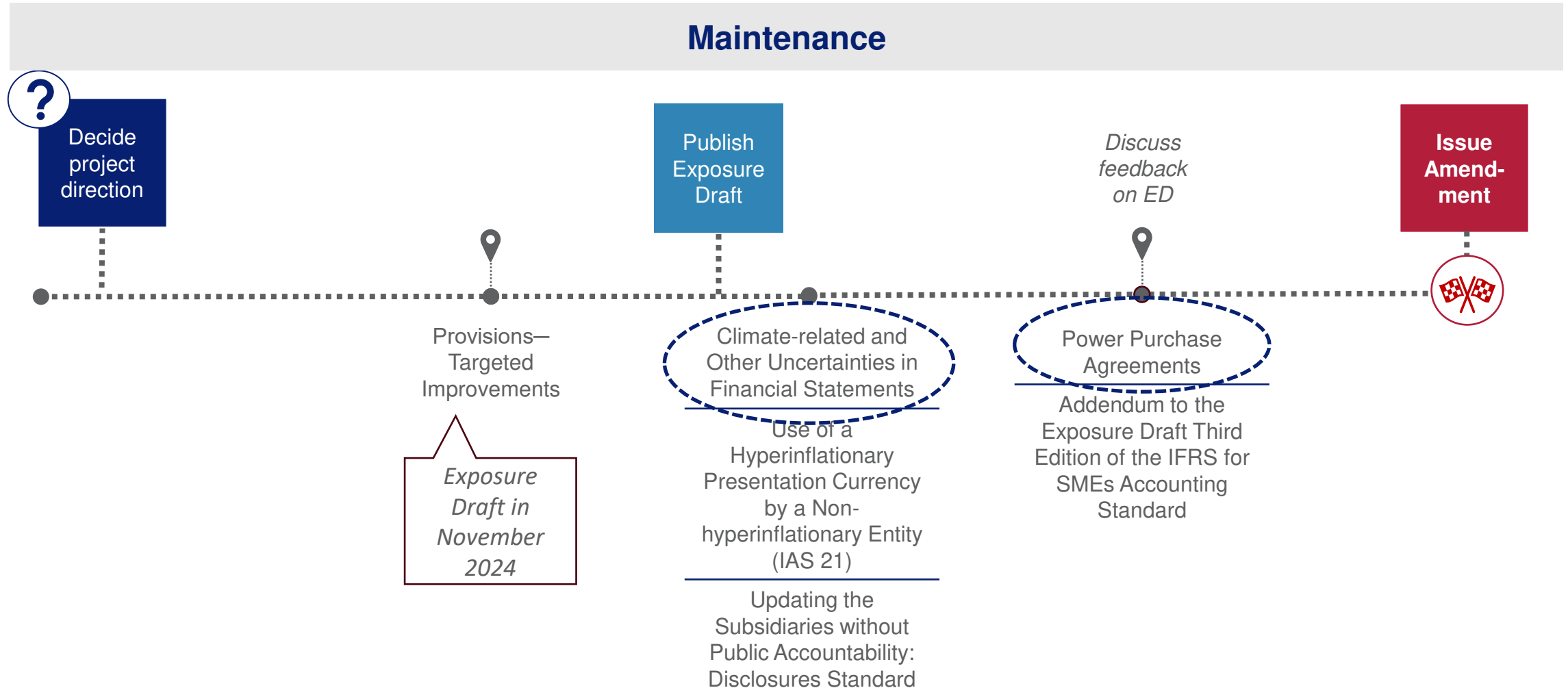


# Overview: Research and standard-setting projects





# Overview: Maintenance projects

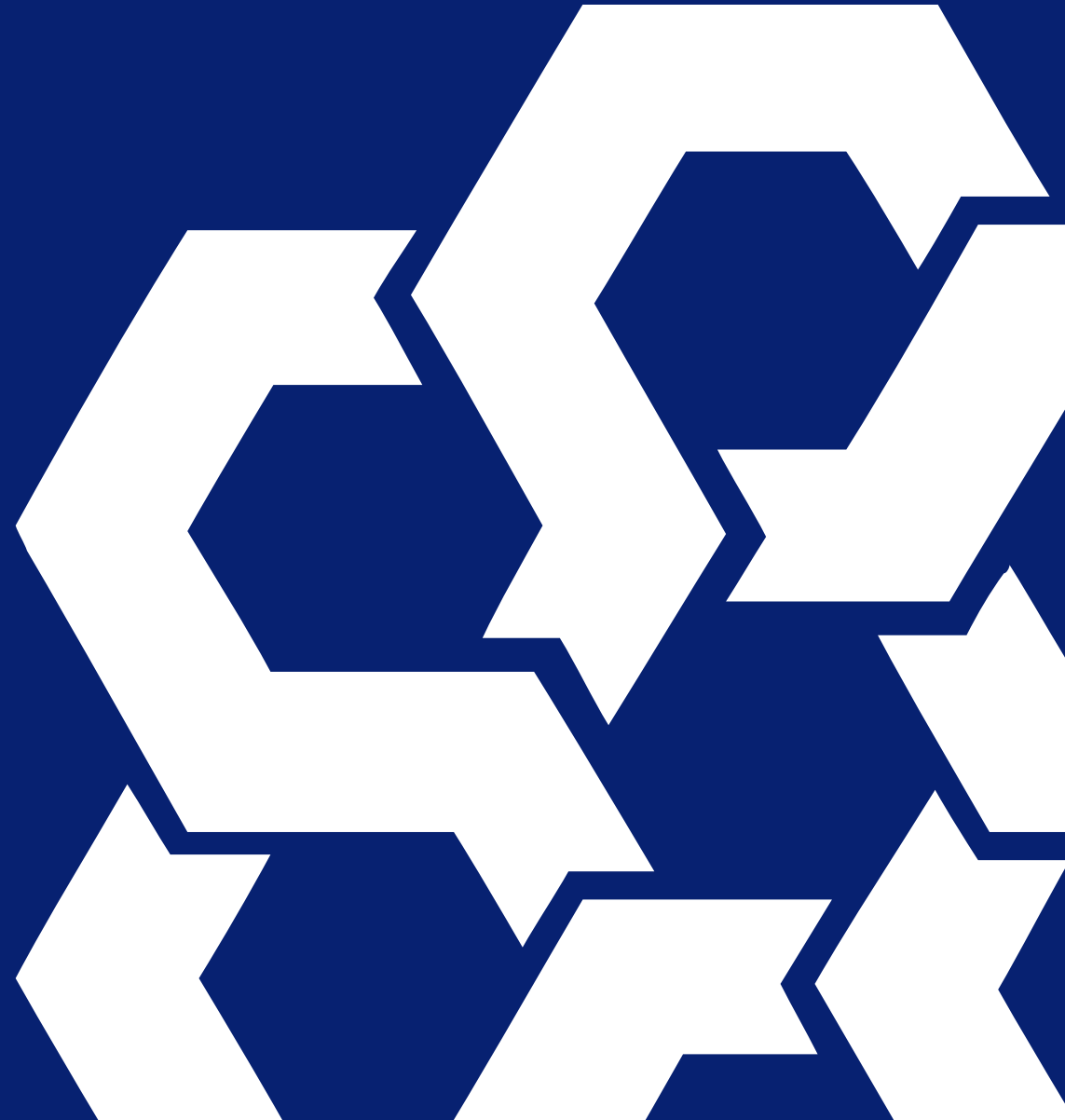


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## New Accounting Standards

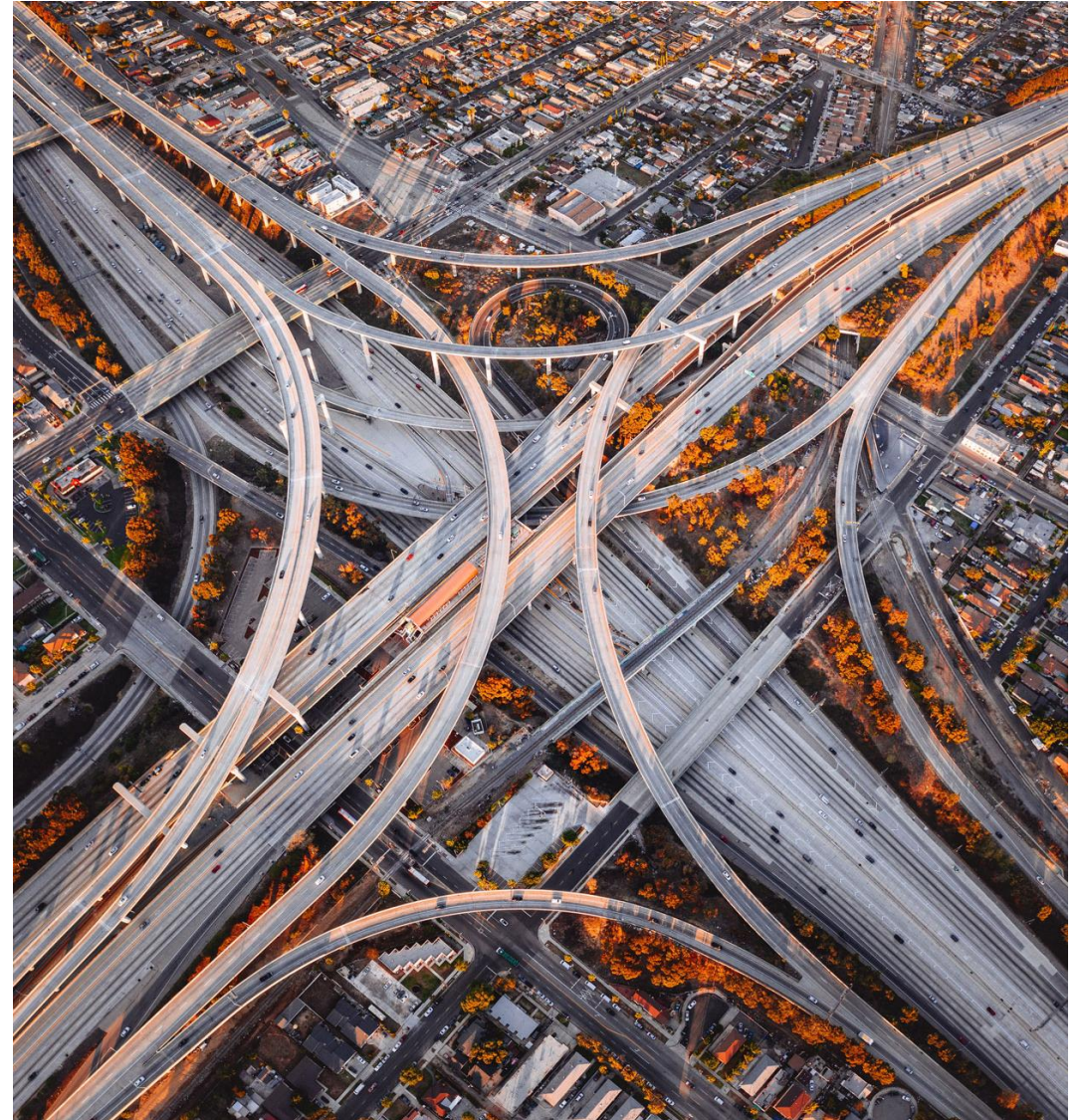
*IFRS 18 Presentation and Disclosure in  
Financial Statements*

*IFRS 19 Subsidiaries without Public  
Accountability: Disclosures*



## IFRS 18 will

- improve **usefulness** of information for investors
  - new required subtotals in statement of profit or loss
- enhance **transparency**
  - disclosures about management-defined performance measures
- **help companies** decide how to group information
  - enhanced requirements on aggregation and disaggregation



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## IFRS 19 – at a glance



A voluntary Standard for eligible subsidiaries



It will **simplify reporting systems and processes** and thereby **reduce the costs** of preparing eligible subsidiaries' financial statements



Effective from 1 January 2027

## Who can apply IFRS 19?

### Eligible subsidiaries

- No public accountability; and
- Parent prepares consolidated financial statements available for public use that comply with IFRS Accounting Standards.

### What is public accountability?



its equity or debt instruments are traded in a public market

or

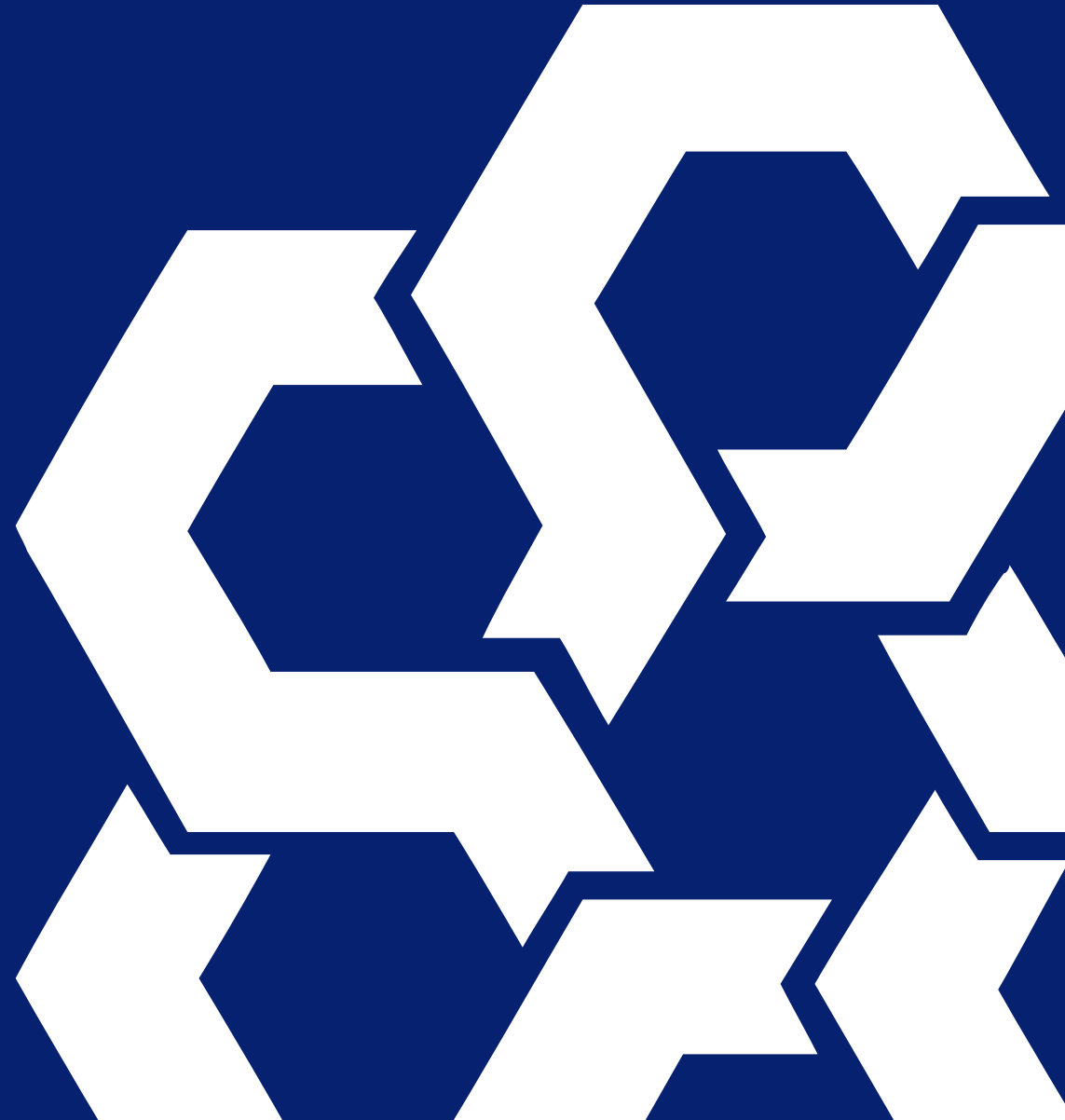


it holds assets in a fiduciary capacity (for example, banks and insurance companies)

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## Projects—currently or recently out for comment

1. Climate-related and other Uncertainties in Financial Statements
2. Power Purchase Agreements
3. Business Combinations—Disclosures, Goodwill and Impairment
4. Financial Instruments with Characteristics of Equity





# Climate-related and other Uncertainties in Financial Statements

## Objective

Address concerns that information about climate-related risks in financial statements is:

- **insufficient**
- **inconsistent** with information reported elsewhere by the company

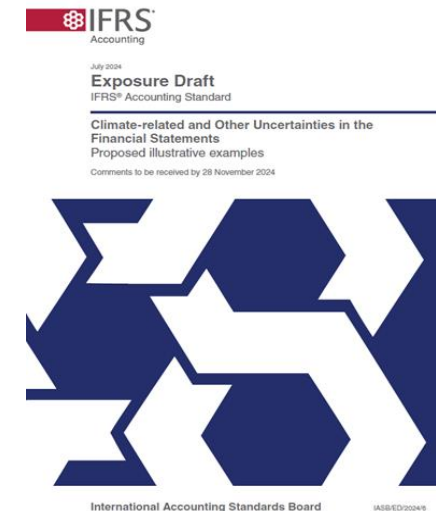
## Portfolio of actions

### 1. Examples

Published **exposure draft of examples** illustrating application of IFRS Accounting Standards (**July 2024**)

### 2. Standard-setting

Explore possible targeted amendments to improve **disclosures about estimates**, informed by feedback on examples



Comment  
deadline: **28  
November  
2024**

### 3. IFRS Interpretations Committee

Published agenda decision *Climate-related Commitments*

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# Climate-related and other Uncertainties in Financial Statements

## Exposure Draft: Illustrative examples



### Materiality judgements

#### Examples 1–2

*Materiality judgements leading (and not leading) to additional disclosures*



### Assumptions and estimation uncertainty

#### Examples 3–5

*Disclosure of assumptions: specific requirements, general requirements and additional disclosures*

#### Examples 6–7

*Disclosures about credit risk and decommissioning and restoration provisions*



### Disaggregation

#### Example 8

*Disclosure of disaggregated information*



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## Power Purchase Agreements

Narrow-scope amendments to ensure financial statements more faithfully reflect **the effects that renewable electricity contracts have on companies.**

Targeted modifications to:

- ‘own-use’ requirements
- cash flow hedge accounting requirements
- disclosure requirements

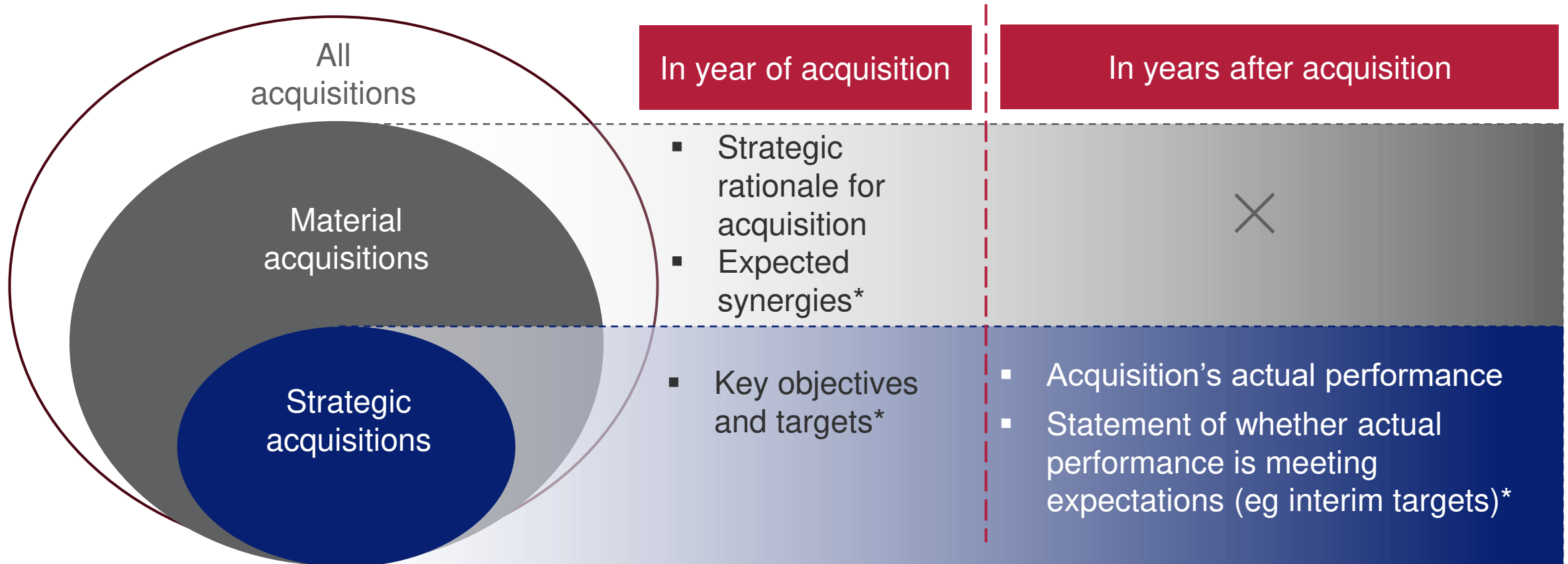
Aim to finalise any changes by end of 2024



**ED comment period ended:**  
7 August 2024

# Business Combinations—Disclosures, Goodwill and Impairment

## Summary of proposed new disclosures



\*Exemption available if requirements are met

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# Business Combinations—Disclosures, Goodwill and Impairment

## Summary of proposed changes to impairment test



### Effectiveness of impairment test

- Clarify allocation of goodwill to cash-generating units
- Require disclosure of which reportable segments contain goodwill



### Cost and complexity of impairment test

Simplify and improve calculation of **value in use**

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## Financial Instruments with Characteristics of Equity

### Objective

- Improve information companies provide about financial instruments issued
- Address challenges with applying IAS 32 *Financial Instruments: Presentation*

### Approach

- Clarify IAS 32 classification principles to address practice issues:
  - fixed-for-fixed condition
  - effects of laws or regulations
  - obligations to purchase own equity instruments
  - contingent settlement provisions
  - shareholder discretion
  - reclassification
- Improve presentation and disclosure

### Next milestone

- Analyse feedback and redeliberate proposals in the [Exposure Draft](#)
- Decide project direction

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## New projects

1. Intangible Assets
2. Statement of Cash Flows and Related Matters
3. Amortised Cost Measurement



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# Intangible Assets

## Objective

- Comprehensively review the accounting requirements for intangibles
- Assess if the requirements of IAS 38 *Intangible Assets* remain relevant and continue to fairly reflect current business models or whether the IASB should improve the requirements

## Areas of focus

- Initial research aims to define:
  - the problem the project should seek to resolve;
  - the scope of the project; and
  - how best to stage work to deliver timely improvements

## Next milestone

- Review Research - expected in Q4 2024

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Two new projects starting soon...

## Statement of Cash Flows and Related Matters

Moving to research work plan in **Q3 2024**.

Will consider whether the project should aim to:

- review **IAS 7 *Statement of Cash Flows* comprehensively**; or
- make **more targeted improvements**.

## Amortised Cost Measurement

Moving to research work plan in **Q3 2024**.

Will aim to deal with matters identified in IFRS 9 classification and measurement PiR:

- **modifications** of financial assets and liabilities
- application of **effective interest method** to floating rate instruments
- **intersection** of modification, derecognition, write-off and impairment requirements.

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