

## IFRIC *Update* March 2024

IFRIC *Update* is a summary of the decisions reached by the IFRS Interpretations Committee (Committee) in its public meetings. Past *Updates* can be found in the [IFRIC \*Update\* archive](#).

The Committee met on [5 March 2024](#) and discussed:

### Agenda decisions for the IASB's consideration

- [Climate-related Commitments \(IAS 37 \*Provisions, Contingent Liabilities and Contingent Assets\*\)—Agenda Paper 2](#)
- [Payments Contingent on Continued Employment during Handover Periods \(IFRS 3 \*Business Combinations\*\)—Agenda Paper 3](#)

### Other matters

- [Post-implementation Review of IFRS 9 \*Financial Instruments\*—Impairment—Agenda Paper 4](#)
- [Work in Progress—Agenda Paper 5](#)

### Related information

[The work plan](#)

[Supporting consistent application](#)

## **Agenda decisions for the IASB’s consideration**

### **Climate-related Commitments (IAS 37 Provisions, Contingent Liabilities and Contingent Assets)—Agenda Paper 2**

The Committee considered feedback on the **tentative agenda decision** published in the November 2023 IFRIC *Update* about how IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* applies to commitments an entity makes to reduce or offset its future greenhouse gas emissions.

The Committee concluded its discussions on that agenda decision. In accordance with paragraph 8.7 of the IFRS Foundation’s *Due Process Handbook*, the International Accounting Standards Board (IASB) will consider this agenda decision at its April 2024 meeting. If the IASB does not object to the agenda decision, it will be published in April 2024 in an addendum to this IFRIC *Update*.

### **Payments Contingent on Continued Employment during Handover Periods (IFRS 3 Business Combinations)—Agenda Paper 3**

The Committee considered feedback on the **tentative agenda decision** published in the September 2023 IFRIC *Update* about how an entity accounts for payments to the sellers of a business it has acquired if those payments are contingent on the sellers’ continued employment during a post-acquisition handover period.

The Committee concluded its discussions on that agenda decision. In accordance with paragraph 8.7 of the IFRS Foundation’s *Due Process Handbook*, the IASB will consider this agenda decision at its April 2024 meeting. If the IASB does not object to the agenda decision, it will be published in April 2024 in an addendum to this IFRIC *Update*.

## **Other matters**

### **Post-implementation Review of IFRS 9 Financial Instruments—Impairment—Agenda Paper 4**

The Committee members discussed the IASB’s post-implementation review of impairment requirements in IFRS 9 *Financial Instruments*. In particular, Committee members provided input on application matters related to determining expected credit losses for:

- a. intragroup financial instruments;
- b. loan commitments;
- c. financial guarantee contracts; and
- d. purchased or originated credit-impaired financial assets.

The IASB will consider input from the Committee members and other stakeholders on these matters.

### **Work in Progress—Agenda Paper 5**

The Committee received an update on the status of open matters not discussed at its March 2024 meeting.